FEDERAL REGISTER

VOLUME 6 NUMBER 200

Washington, Tuesday, October 14, 1941

The President

MILITARY ORDER

By virtue of the authority vested in me as President of the United States and as Commander in Chief of the Army and Navy of the United States, I hereby assign Colonel Francis R. Kerr, Army of the United States, now on duty with the Economic Defense Board, to assist the Chairman and Executive Director of said Board in the performance of certain functions relating to the administration of section 6 of Public No. 703, 76th Congress, Third Session, entitled "An Act To expedite the strengthening of the national defense," approved July 2, 1940, as amended, and of certain provisions of Public No. 829, 76th Congress, Third Session, entitled "An Act to authorize the President to requisition certain articles and materials for the use of the United States, and for other purposes," approved October 10, 1940, which functions are essentially military in character.

So much of the Military Order of September 15, 1941,[1] as assigns Lieutenant Colonel William E. Chickering, United States Army, to duty with the Economic Defense Board is hereby revoked.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
October 9, 1941.

[F. R. Doc. 41-7635; Filed, October 10, 1941; 3:10 P. M.]

Rules, Regulations, Orders

TITLE 7—AGRICULTURE.

CHAPTER VII—AGRICULTURAL ADJUSTMENT ADMINISTRATION

[Form PN-514—Supp. 3]

PART 729—NATIONAL MARKETING QUOTA FOR PEANUTS[2]

MARKETING QUOTAS FOR PEANUTS OF THE CROP PLANTED IN THE CALENDAR YEAR 1941

The "Regulations Pertaining to Marketing Quotas for Peanuts of the Crop Planted in the Calendar Year 1941" are amended by adding the following paragraph at the end of § 729.31[1]

§ 729.31 *Prices of and payments of excess peanuts for crushing into oil.* * * *

Notwithstanding any other provision of this Part VII, a designated agency may purchase quota peanuts at the established price for excess peanuts for crushing into oil. (52 Stat. 38, as amended; 7 U.S.C., Sup., 1301 et seq.)

By virtue of the authority vested in the Secretary of Agriculture by title III of the Agricultural Adjustment Act of 1938 (Public Law No. 430, 75th Congress, approved February 16, 1938; 52 Stat. 38, as amended, 7 U.S.C. 1301 et seq), he does make, prescribe, publish and give public notice of the foregoing amendments to the "Regulations Pertaining to Marketing Quotas for Peanuts of the Crop Planted in the Calendar Year 1941" (Form PN-514), issued by him on June 7, 1941, as amended.

Done at Washington, D. C., this 11th day of October 1941. Witness my hand and the seal of the Department of Agriculture.

[SEAL] PAUL H. APPLEBY,
Acting Secretary of Agriculture.

[F. R. Doc. 41-7679; Filed, October 13, 1941; 11:13 a. m.]

TITLE 10—ARMY: WAR DEPARTMENT

CHAPTER V—MILITARY RESERVATIONS AND NATIONAL CEMETERIES

PART 54—EXCHANGES[3]

§ 54.3 *Activities.*

* * * * *

(c) *Concessions.*

* * * * *

(11) The following policies are announced in connection with the handling of transportation facilities to and from posts, camps, and stations when necessary:

[1] 6 F.R. 2779.
[2] 6 F.R. 4796.
[1] 6 F.R. 4359.
[2] § 54.3 (c) (11) is added.

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THE PRESIDENT

RULES, REGULATIONS, ORDERS

(Continued on next page)

FEDERAL REGISTER

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NOTICES

CONTENTS—Continued

(i) A taxicab or bus compny may not operate as a concessionaire of an exchange.

(ii) Unless strictly confined to service personnel and civilian Government employees as passengers, an exchange is not authorized to operate a taxicab or bus transportation facility nor to compete in any manner with civilian enterprise in such activity.

(iii) No distinction is to be drawn between taxicab and bus transportation.

(iv) One or more revocable licenses for such operation may be granted by the Secretary of War upon the recommendation of the corps area commander based upon the free competitive proposals of all reputable available companies or individuals.

(v) Such revocable license must include provisions for complete military control and supervision of the activities of such licensee under the license; and specified prices and schedules with provision for adequate public liability and property damage insurance.

(vi) Such revocable license may contain no reference to the exchange nor obligate the exchange to any duties or liabilities. The exchange has no connection therewith, and the licensee may not obligate itself to the exchange in any manner under the license.

(vii) Either before or after the granting of such revocable license, the exchange may (subject to subdivision (ix) of this subparagraph) enter into a separate contract with such taxicab or bus company under which the exchange agrees to act as agent for such company for the sale of tickets entitling the holder to transportation.

(viii) For its services as such ticket agent the exchange may receive a legal commission. This should not exceed 10 percent of the sales price of such tickets, and no part of such commission may be rebated or allowed in any manner as a credit to the purchaser of such ticket.

(ix) Under the limitations of paragraphs (b) (1) and (b) (3) (i) of this section, the contract under subdivision (vii) of this subparagraph requires the permission of the War Department.

(x) Under the limitations of the foregoing provisions, exchange coupons of equivalent money cost may be used by ticket purchasers either to obtain transportation tickets or to pay such transportation cost in any manner included within the terms of such contract.

(xi) None but duly licensed agencies will be permitted to operate in or upon military reservations. (R.S. 161; 5 U.S.C. 22) [Cir. 204, W.D., Sept. 30, 1941]

[SEAL] E. S. ADAMS.
Major General,
The Adjutant General.

[F. R. Doc. 41-7653; Filed, October 13, 1941; 9:21 a. m.]

PART 54—EXCHANGES[1]

§ 54.6 *Sales; to whom made.*

* * * * *

(a) (2) Civilians regularly employed or serving at military posts, upon proper identification. (R.S. 161; 5 U.S.C. 22)

[1] § 54.6 (a) (2) is amended.

[Par. 13*a*, A. R. 210–65, July 1, 1941, as amended by Cir. 208, W. D., Oct. 2, 1941]

* * * * *

[SEAL] E. S. ADAMS,
Major General,
The Adjutant General.

[F. R. Doc. 41–7651; Filed, October 13, 1941; 9:21 a. m.]

TITLE 14—CIVIL AVIATION

CHAPTER I—CIVIL AERONAUTICS BOARD

[Amend. No. 135, Civil Air Regulations]

PART 60—AIR TRAFFIC RULES

PILOT AND AIRCRAFT CERTIFICATES REQUIRED

At a session of the Civil Aeronautics Board held at its office in Washington, D. C., on the 10th day of October 1941.

Having had under consideration the matter of the operation of uncertificated aircraft in the air space overlying the United States and the operation of aircraft in such air space by uncertificated pilots, and having held a public hearing after due notice at its office in Washington, D. C., on the 24th day of September, 1941, and

The Board finds that:

(1) As of September 1, 1941, the total number of civilian pilots certificated by the Administrator of Civil Aeronautics was 181,281, including student pilots, representing an increase in the number of civilian pilots certificated of more than 200 percent since July 1, 1938, and in addition thereto there were an undetermined number of uncertificated pilots;

(2) As of September 1, 1941, the total number of civil aircraft certificated by the Administrator of Civil Aeronautics was 22,885, representing an increase in the number of aircraft certificated of more than 130 percent since July 1, 1938, and in addition thereto there were 549 uncertificated aircraft recorded;

(3) In 1940 over 264,000,000 miles were flown in non-scheduled flying operations, representing an increase of more than 100 percent over the number of miles flown in such operations during 1938;

(4) In 1940 more than 34,000,000 miles were flown in commercial charter operations, representing an increase of more than 80 percent over the number of miles flown in similar operations during 1938;

(5) In 1940 more than 108,000,000 revenue miles were flown in domestic scheduled air carrier operations, representing an increase of more than 50 percent over the number of revenue miles flown in similar operations during 1938;

(6) During the year 1941 the aeronautical activity of the armed forces of the United States has increased tremendously and will increase in accordance with projected national defense plans;

(7) At present the civil airways cover more than 600,000 square miles or 20 percent of the territory of the continental United States;

(8) As of September 1, 1941, a total of 2,658 landing areas were reported, of which more than 40 percent were located off the civil airways;

(9) Scheduled air carrier operation which was formerly conducted only on the civil airways is no longer restricted to such airways;

(10) A great percentage of the operation of non-scheduled air carriers is conducted off the civil airways;

(11) The development of radio navigational aids will increase the operations conducted in air commerce off the civil airways;

(12) The aeronautical activity of the armed forces of the United States is not confined to the civil airways but may be conducted anywhere in the air space overlying the United States;

(13) The operation of uncertificated aircraft and the pilotage of aircraft by uncertificated airmen anywhere in the navigable air space overlying the United States constitute a hazard to interstate, overseas, and foreign air commerce;

(14) The Civil Aeronautics Act of 1938, as amended, imposes upon the Board the responsibility of anticipating possible hazards to interstate, overseas, or foreign air commerce and of taking necessary action to protect such air commerce;

The Board further finds that:

(1) Any operation of any aircraft in the air space overlying the United States either directly affects, or may endanger safety in, interstate, overseas, or foreign air commerce;

(2) In order to protect interstate, overseas, and foreign air commerce, it is necessary that all pilots and aircraft operating in the air space overlying the United States be certificated;

(3) The Board's action herein is desirable in the public interest and for the protection of safety in air commerce, and is necessary to carry out the provisions of, and to exercise and perform its duties under, the Civil Aeronautics Act of 1938;

Now, therefore, the Civil Aeronautics Board, acting pursuant to the authority vested in it by the Civil Aeronautics Act of 1938, as amended, particularly sections 205 (a) and 601 (a) of said Act, amends the Civil Air Regulations as follows:

Effective December 1, 1941, §§ 60.30 and 60.31 of the Civil Air Regulations are amended to read as follows:

§ 60.30 *Pilot certificates.* No person shall pilot a civil aircraft in the United States unless such person holds a valid pilot certificate or in violation of any term, condition, or limitation of such certificate: *Provided*, That an alien may pilot a civil aircraft in the United States in accordance with a pilot certificate issued or validated pursuant to a reciprocal arrangement entered into between the United States and the foreign government from which such alien holds a valid pilot certificate.

§ 60.31 *Aircraft certificate.* No flight of civil aircraft, other than of a foreign aircraft whose navigation in the United States has been authorized according to law, shall be made or authorized to be made in the United States unless there is outstanding for such aircraft a valid aircraft airworthiness certificate, or in violation of any term, condition, or limitation of such certificate.

By the Civil Aeronautics Board.

[SEAL] DARWIN CHARLES BROWN,
Secretary.

[F. R. Doc. 41–7652; Filed, October 13, 1941; 9:21 a. m.]

TITLE 16—COMMERCIAL PRACTICES

CHAPTER I—FEDERAL TRADE COMMISSION

[Docket No. 3341]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

IN THE MATTER OF NORMANDIE ET CIE

§ 3.6 (a) *Advertising falsely or misleadingly—Business status, advantages or connections of advertiser—Foreign status, branches, etc.:* § 3.6 (cc) *Advertising falsely or misleadingly—Source or origin—Place—Domestic product as imported:* § 3.66 (a15) *Misbranding or mislabeling—Foreign branches, plants or properties:* § 3.66 (k) *Misbranding or mislabeling—Source or origin—Place—Domestic product as imported.* In connection with offer, etc., in commerce, of respondents' perfumes and kindred products, (1) using the terms "Paris", "France", "Made in France" or "Imported" to designate or describe products which are made or compounded in the United States, or otherwise representing that such products are manufactured in or imported from France or any other foreign country; (2) using any French or other foreign words or terms to designate or describe products made or compounded in the United States, unless there appear in connection and conjunction therewith other words in English clearly stating that such products are made or compounded in the United States; (3) using the words "11 Rue des Champs, Asnieres, pres Paris, France" or "U. S. Sales Division" in connection with respondents' trade name, or otherwise representing that respondents have a place of business in France or in any country other than the United States; and (4) representing in any manner whatsoever that products which are made or compounded in the United States are made in or imported from countries other than the United States; prohibited; subject to the provision, however, in the case of part (1) hereof, that the country of origin of the various ingredients of such products may be stated when immediately accompanied by a statement that such products are made or compounded in the United States. (Sec. 5, 38 Stat. 719, as amended

by sec. 3, 52 Stat. 112; 15 U.S.C., Sup. IV, sec. 45b) [Cease and desist order, Normandie et Cie, Docket 3341, October 6, 1941]

In the Matter of John H. Davis, an Individual, and Dale S. Davis, an Individual, Trading as Normandie et Cie

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 6th day of October, A. D. 1941.

This proceeding having been heard [1] by the Federal Trade Commission upon the complaint of the Commission, the answers of respondents, testimony and other evidence taken before Edward E. Reardon, trial examiner of the Commission theretofore duly designated by it, in support of and in opposition to the allegations of the complaint, report of the trial examiner upon the evidence, and exceptions thereto, and brief in support of the complaint (respondents not having filed brief and oral argument not having been requested); and the Commission, having made its findings as to the facts and its conclusion that the respondents have violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondents, John H. Davis and Dale S. Davis, individually and trading as Normandie et Cie, or trading under any other name, their representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of their perfumes and kindred products, do forthwith cease and desist from:

(1) Using the terms "Paris", "France", "Made in France" or "Imported" to designate or describe products which are made or compounded in the United States, or otherwise representing that such products are manufactured in or imported from France or any other foreign country: *Provided, however,* That the country of origin of the various ingredients of such products may be stated when immediately accompanied by a statement that such products are made or compounded in the United States;

(2) Using any French or other foreign words or terms to designate or describe products made or compounded in the United States, unless there appear in connection and conjunction therewith other words in English clearly stating that such products are made or compounded in the United States;

(3) Using the words "11 Rue des Champs, Asnieres, pres Paris, France" or "U. S. Sales Division" in connection with respondents' trade name, or otherwise representing that respondents have a place of business in France or in any country other than the United States;

(4) Representing in any manner whatsoever that products which are made or compounded in the United States are made in or imported from countries other than the United States.

It is further ordered, That the respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

By the Commission.

[SEAL] OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 41-7645; Filed, October 11, 1941; 11:33 a. m.]

TITLE 26—INTERNAL REVENUE

CHAPTER I—BUREAU OF INTERNAL REVENUE

SUBCHAPTER A—INCOME AND EXCESS-PROFITS TAX

[T. D. 5086]

PART 19—INCOME TAX UNDER THE INTERNAL REVENUE CODE

Regulations 103 Amended to Conform to the Revenue Act of 1941

In order to conform Regulations 103 [1] [Part 19, Title 26, Code of Federal Regulations, 1940 Sup.] to the Revenue Act of 1941 (Public Law 250, 77th Congress), approved September 20, 1941, and to make certain other changes, such regulations are amended as follows:

PARAGRAPH 1. There is inserted immediately preceding § 19.4-1 the following:

SEC. 102. OPTIONAL TAX ON INDIVIDUALS WITH CERTAIN GROSS INCOME OF $3,000 OR LESS. (Revenue Act of 1941, Title I.)

* * * * *

(c) *Amendment to section 4.* Section 4 of the Internal Revenue Code is amended by inserting at the end thereof the following:

(k) Shareholders of Personal Service Corporations—Supplement S.

(l) Individuals with gross income from certain sources of $3,000 or less—Supplement T.

PAR. 2. Section 19.4-1 is amended by inserting at the end thereof the following:

Shareholders of personal service corporations—sections 391 to 396, inclusive.

Individuals with gross income from certain sources of $3,000 or less—sections 400 to 404, inclusive.

PAR. 3. There is inserted immediately preceding § 19.11-1 the following:

SEC. 102. OPTIONAL TAX ON INDIVIDUALS WITH CERTAIN GROSS INCOME OF $3,000 OR LESS. (Revenue Act of 1941, Title I.)

* * * * *

(b) Cross-references.

(1) Section 11 of the Internal Revenue Code is amended by inserting at the end thereof the following: "(For alternative tax if gross income from certain sources is $3,000 or less, see section 400)".

* * * * *

PAR. 4. Section 19.11-1, as amended by Treasury Decision 5011,[2] approved September 24, 1940, is further amended by striking out the first sentence of the first paragraph and inserting in lieu thereof the following:

Chapter 1 of the Internal Revenue Code, which applies only to taxable years beginning after December 31, 1938 (see section 1), imposes an income tax on individuals, including a normal tax (section 11), a surtax (section 12), and a defense tax for taxable years beginning after December 31, 1939, and before January 1, 1941 (section 15 added by section 201 of the Revenue Act of 1940). For optional tax in the case of taxpayers with gross income from certain sources of $3,000 or less, see section 400.

PAR. 5. There is inserted immediately preceding § 19.12-1 the following:

SEC. 101. SURTAX ON INDIVIDUALS. (Revenue Act of 1941, Title I.)

Section 12 (b) of the Internal Revenue Code is amended to read as follows:

(b) *Rates of surtax.* There shall be levied, collected, and paid for each taxable year upon the surtax net income of every individual the surtax shown in the following table:

If the surtax net income is:	*The surtax shall be:*
Not over $2,000	6% of the surtax net income.
Over $2,000 but not over $4,000	$120, plus 9% of excess over $2,000.
Over $4,000 but not over $6,000	$300, plus 13% of excess over $4,000.
Over $6,000 but not over $8,000	$560, plus 17% of excess over $6,000.
Over $8,000 but not over $10,000	$900, plus 21% of excess over $8,000.
Over $10,000 but not over $12,000	$1,320, plus 25% of excess over $10,000.
Over $12,000 but not over $14,000	$1,820, plus 29% of excess over $12,000.
Over $14,000 but not over $16,000	$2,400, plus 32% of excess over $14,000.
Over $16,000 but not over $18,000	$3,040, plus 35% of excess over $16,000.
Over $18,000 but not over $20,000	$3,740, plus 38% of excess over $18,000.
Over $20,000 but not over $22,000	$4,500, plus 41% of excess over $20,000.
Over $22,000 but not over $26,000	$5,320, plus 44% of excess over $22,000.
Over $26,000 but not over $32,000	$7,080, plus 47% of excess over $26,000.
Over $32,000 but not over $38,000	$9,900, plus 50% of excess over $32,000.
Over $38,000 but not over $44,000	$12,900, plus 53% of excess over $38,000.
Over $44,000 but not over $50,000	$16,080, plus 55% of excess over $44,000.
Over $50,000 but not over $60,000	$19,380, plus 57% of excess over $50,000.
Over $60,000 but not over $70,000	$25,080, plus 59% of excess over $60,000.
Over $70,000 but not over $80,000	$30,980, plus 61% of excess over $70,000.
Over $80,000 but not over $90,000	$37,080, plus 63% of excess over $80,000.
Over $90,000 but not over $100,000	$43,380, plus 64% of excess over $90,000.
Over $100,000 but not over $150,000	$49,780, plus 65% of excess over $100,000.
Over $150,000 but not over $200,000	$82,280, plus 66% of excess over $150,000.
Over $200,000 but not over $250,000	$115,280, plus 67% of excess over $200,000.
Over $250,000 but not over $300,000	$148,780, plus 69% of excess over $250,000.

[1] 4 F.R. 188

[1] 5 F.R. 348, 437, 569.

[2] 5 F.R. 3838.

If the surtax net income is:	*The surtax shall be:*
Over $300,000 but not over $400,000	$183,280, plus 71% of excess over $300,000.
Over $400,000 but not over $500,000	$254,280, plus 72% of excess over $400,000.
Over $500,000 but not over $750,000	$326,280, plus 73% of excess over $500,000.
Over $750,000 but not over $1,000,000	$508,780, plus 74% of excess over $750,000.
Over $1,000,000 but not over $2,000,000	$693,780, plus 75% of excess over $1,000,000.
Over $2,000,000 but not over $5,000,000	$1,443,780, plus 76% of excess over $2,000,000.
Over $5,000,000	$3,723,780, plus 77% of excess over $5,000,000.

SEC. 102. OPTIONAL TAX OF INDIVIDUALS WITH CERTAIN GROSS INCOME OF $3,000 OR LESS (Revenue Act of 1941, Title I.)

* * * * *

(b) *Cross-references.*

* * * * *

(2) Section 12 of the Internal Revenue Code is amended by inserting at the end thereof the following:

(g) For alternative tax if gross income from certain sources is $3,000 or less, see section 400.

* * * * *

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.)

The amendments made by this title (except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 6. Section 19.12–1, as amended by Treasury Decision 5011, is further amended by striking out the last sentence and inserting in lieu thereof the following:

For the defense tax imposed for taxable years beginning after December 31, 1939, and before January 1, 1941, see section 19.15–1.

PAR. 7. Section 19.12–2, as amended by Treasury Decision 5011, is further amended as follows:

(A) By striking out the first sentence and inserting in lieu thereof the following:

The following tables show the surtax (1) for taxable years beginning after December 31, 1938, and before January 1, 1940, (2) for taxable years beginning after December 31, 1939, and before January 1, 1941, and (3) for taxable years beginning after December 31, 1940, upon certain specified amounts of surtax net income.

(B) By striking out the heading of the second table and inserting in lieu thereof the following:

TABLE II. *Taxable years beginning after December 31, 1939, and before January 1, 1941*

(C) By inserting immediately after the second table the following:

TABLE III. *Taxable years beginning after December 31, 1940*

Surtax net income	Percent	Total surtax
$0 to $2,000	6	$120
$2,000 to $4,000	9	300
$4,000 to $6,000	13	560
$6,000 to $8,000	17	900
$8,000 to $10,000	21	1,320
$10,000 to $12,000	25	1,820
$12,000 to $14,000	29	2,400
$14,000 to $16,000	32	3,040
$16,000 to $18,000	35	3,740
$18,000 to $20,000	38	4,500
$20,000 to $22,000	41	5,320
$22,000 to $26,000	44	7,080
$26,000 to $32,000	47	9,900
$32,000 to $38,000	50	12,900
$38,000 to $44,000	53	16,080

TABLE III. *Taxable years beginning after December 31, 1941*—Continued

Surtax net income	Percent	Total surtax
$44,000 to $50,000	55	19,380
$50,000 to $60,000	57	25,080
$60,000 to $70,000	59	30,980
$70,000 to $80,000	61	37,080
$80,000 to $90,000	63	43,380
$90,000 to $100,000	64	49,780
$100,000 to $150,000	65	82,280
$150,000 to $200,000	66	115,280
$200,000 to $250,000	67	148,780
$250,000 to $300,000	69	183,280
$300,000 to $400,000	71	254,280
$400,000 to $500,000	72	326,280
$500,000 to $750,000	73	508,780
$750,000 to $1,000,000	74	693,780
$1,000,000 to $2,000,000	75	1,443,780
$2,000,000 to $5,000,000	76	3,723,780
$5,000,000 up	77	

(D) By striking out the second sentence of the last paragraph and inserting in lieu thereof the following:

Accordingly, the surtax due for taxable years beginning after December 31, 1940, upon a surtax net income of $63,128 would be $26,925.52, computed as follows:

Surtax on $60,000 from table	$25,080.00
Surtax on $3,128 at 59 percent	1,845.52
Total	26,925.52

PAR. 8. There is inserted immediately preceding § 19.13–1 the following:

SEC. 103. CORPORATION DEFENSE TAX RATES INCORPORATED IN RATE SCHEDULES. (Revenue Act of 1941, Title I.)

(a) *Tax on Corporations in General.* Section 13 (b) (1) and (2) of the Internal Revenue Code are amended to read as follows:

"(1) *General rule.* A tax of 24 per centum of the normal-tax net income; or

"(2) *Alternative tax (corporations with normal-tax net income slightly more than $25,000).* A tax of $4,250, plus 37 per centum of the amount of the normal-tax net income in excess of $25,000."

* * * * *

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.)

The amendments made by this title (except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 9. Section 19.13–1 is amended by striking out the parenthetical expression at the end of the first sentence in the first paragraph.

PAR. 10. Section 19.13–5, as amended by Treasury Decision 5038,[1] approved February 8, 1941, is further amended as follows:

(A) By inserting immediately after the second sentence of the fourth paragraph the following:

For surtax on corporations generally with respect to taxable years beginning after December 31, 1940, see section 15, as amended by section 104 of the Revenue Act of 1941, and § 19.15–2.

[1] 6 F.R. 917.

(B) By striking out "$38,565.89" in the last paragraph and inserting in lieu thereof "$38,461.54 ($38,565.89 for taxable years beginning before January 1, 1941)".

(C) By striking out the last sentence in the last paragraph and inserting in lieu thereof the following:

For the defense tax imposed for taxable years beginning after December 31, 1939, and before January 1, 1941, see § 19.15–1.

PAR. 11. Section 19.13–6, as amended by Treasury Decision 5038, is further amended as follows:

(A) By striking out "22½ percent" in the first paragraph and inserting in lieu thereof "24 percent (22½ percent for any such taxable year beginning before January 1, 1941)".

(B) By striking out "$38,565.89" in the first paragraph and inserting in lieu thereof "$38,461.54 ($38,565.89 for any such taxable year beginning before January 1, 1941)".

(C) By striking out the example and inserting in lieu thereof the following:

Example. The A Corporation, a domestic corporation, which is not a bank affiliate referred to in section 26 (d), has for the calendar year 1941 a net income of $110,000, including interest on United States obligations (allowable as a credit under section 26 (a)) in the amount of $10,000 and dividends received (of a class allowable as a credit under section 26 (b)) in the amount of $10,000. The corporation's tax under section 13 for the calendar year 1941 is $21,960, computed as follows:

Net income	$110,000.00
Less credit for interest on United States obligations	10,000.00
Adjusted net income	100,000.00
Less credit for dividends received (85 percent of $10,000)	8,500.00
Normal-tax net income	91,500.00
Tax under section 13 (b) (1) (24 percent of $91,500)	21,960.00

PAR. 12. Section 19.13–7, as amended by Treasury Decision 5038, is further amended to read as follows:

Alternative tax (corporations with normal-tax net incomes slightly more than $25,000); taxable years beginning after December 31, 1939. For any taxable year beginning after December 31, 1939, section 13 (b) (2), as amended, provides for an alternative tax in the case of corporations having normal-tax net incomes of slightly more than $25,000. With respect to such a taxable year beginning before January 1, 1941, the alternative tax is $3,775 plus 35 percent of the amount of the normal-tax net income in excess of $25,000, such tax being applicable in the case of corporations having normal-tax net incomes of less than $38,565.89. With respect to such a taxable year beginning after December 31, 1940, the alternative tax is $4,250 plus 37 percent of the amount of

the normal-tax net income in excess of $25,000, such tax being applicable in the case of corporations having normal-tax net incomes of less than $38,461.54. This provision may be illustrated by the following example:

Example. The A Corporation, a domestic corporation (not a bank affiliate), has for the calendar year 1941 a net income of $30,000, including interest on United States obligations (allowable as a credit under section 26 (a)) in the amount of $3,000 and dividends received of a class allowable as a credit under section 26 (b) in the amount of $1,000. Since the alternative tax is less than the tax computed under the general rule, the correct tax is the alternative tax, that is, $4,675.50. The tax is computed as follows:

ALTERNATIVE TAX

Net income	$30,000.00
Less interest on United States obligations	3,000.00
Adjusted net income	27,000.00
Less credit for dividends received (85 percent of $1,000)	850.00
Normal-tax net income	26,150.00
Amount of normal-tax net income in excess of $25,000	1,150.00
Tax under section 13 (b) (2) ($4,250 plus 37 percent of $1,150)	4,675.50

TAX UNDER GENERAL RULE

Normal-tax net income (computed as above)	$26,150.00
Tax under section 13 (b) (1) (24 percent of $26,150)	6,276.00

PAR. 13. There is inserted immediately preceding § 19.14–1 the following:

SEC. 103. CORPORATION DEFENSE TAX RATES INCORPORATED IN RATE SCHEDULES. (Revenue Act of 1941, Title I.)

* * * * *

(b) *Tax on special classes of corporations.* Section 14 (b) of the Internal Revenue Code is amended to read as follows:

(b) *Corporations with normal-tax net incomes of not more than $25,000.* If the normal-tax net income of the corporation is not more than $25,000, and if the corporation does not come within one of the classes specified in subsection (c), (d), or (e) of section, the tax shall be as follows:

Upon normal-tax net incomes not in excess of $5,000, 15 per centum.

$750 upon normal-tax net incomes of $5,000, and upon normal-tax net incomes in excess of $5,000 and not in excess of $20,000, 17 per centum in addition of such excess.

$3,300 upon normal-tax net incomes of $20,000, and upon normal-tax net incomes in excess of $20,000, 19 per centum in addition of such excess.

(c) *Foreign corporations.* Section 14 (c) of the Internal Revenue Code (relating to tax on resident foreign corporations) is amended by striking out "22½ per centum" and inserting "24 per centum."

* * * * *

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.)

The amendments made by this title (except section 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 14. SECTION 19.14–1 is amended by striking out the portion of the first sentence in the first paragraph following "January 1, 1940."

PAR. 15. Section 19.14–2, as amended by Treasury Decision 5038, is further amended as follows:

(A) By inserting immediately after the third sentence of the third paragraph the following:

For surtax on corporations generally with respect to taxable years beginning after December 31, 1940, see section 15, as amended by section 104 of the Revenue Act of 1941, and section 19.15–2.

(B) By changing the first sentence of the fifth paragraph to read as follows:

The following tables show the income tax imposed by section 14, as amended, (1) for any taxable year beginning after December 31, 1939, and before January 1, 1941, and (2) for any taxable year beginning after December 31, 1940, from corporations coming within the terms of section 14 (b), as amended, upon certain specified amounts of normal-tax net income.

(C) By changing the heading of the table which follows the fifth paragraph to read as follows:

TABLE I. *Corporation income tax under section 14 (b), as amended, for taxable years beginning after December 31, 1939, and before January 1, 1941.*

(D) By inserting immediately after the table which follows the fifth paragraph the following:

TABLE II. *Corporation income tax under section 14 (b), as amended, for taxable years beginning after December 31, 1940.*

Normal-tax net income	Percent	Total tax
$0 to $5,000	15	$750
$5,000 to $20,000	17	3,300
$20,000 to $25,000	19	4,250

(E) By striking from the example "1940", "$1,537.50", "13½ percent", "15 percent", "675", "862.50", and "1,537.50", wherever they appear, and inserting in lieu thereof "1941", "$1,727.50", "15 percent", "17 percent", "750", "977.50", and "1,727.50", respectively.

(F) By striking out "22½ percent" in the last paragraph and inserting in lieu thereof "24 percent (22½ percent for taxable years beginning before January 1, 1941)".

PAR. 16. There is inserted immediately preceding § 19.15–1 the following:

SEC. 104. SURTAX ON CORPORATIONS AND TERMINATION OF DEFENSE TAX. (Revenue Act of 1941, Title I.)

(a) General rule. Section 15 of the Internal Revenue Code (relating to defense tax) is amended to read as follows:

SEC. 15. SURTAX ON CORPORATIONS.

(a) Corporation surtax net income. For the purposes of this chapter the term "corporation surtax net income" means the net income minus the credit for dividends received provided in section 26 (b), computed by limiting such credit to 85 per centum of the net income in lieu of 85 per centum of the adjusted net income.

(b) Imposition of tax. There shall be levied, collected, and paid for each taxable year upon the corporation surtax net income of every corporation (except a corporation subject to the tax imposed by section 231 (a) or Supplement Q) a surtax as follows:

Upon corporation surtax net incomes not in excess of $25,000, 6 per centum of the amount thereof;

Upon corporation surtax net incomes in excess of $25,000, $1,500, plus 7 per centum of the excess over $25,000.

* * * * *

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.)

The amendments made by this title (except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 17. Section 19.15–1, as amended by Treasury Decision 5038, is further amended by striking out "January 1, 1945" in the first sentence and inserting in lieu thereof "January 1, 1941".

PAR. 18. There is inserted immediately after § 19.15–1 the following new section:

§ 19.15–2 *Surtax on corporations.* For taxable years beginning after December 31, 1940, section 15, as amended by section 104 (a) of the Revenue Act of 1941, imposes a surtax upon the corporation surtax net income of every corporation, except a nonresident foreign corporation taxable under section 231 (a) or a mutual investment company taxable under Supplement Q. The corporation surtax net income of a corporation is its net income minus the credit for dividends received provided in section 26 (b). Section 15, as amended by section 104 (a) of the Revenue Act of 1941, provides that the credit for dividends received shall be limited to 85 percent of a corporation's net income, rather than to 85 percent of its adjusted net income. The credit provided in section 26 (a) for interest received upon obligations of the United States or its instrumentalities is not allowable in computing corporation surtax net income.

PAR. 19. There is inserted immediately preceding § 19.23 (c)–1 the following:

SEC. 202. DEDUCTION OF EXCESS-PROFITS TAX. (Revenue Act of 1941, Title II.)

(a) *Amendment of section 23 (c).* Section 23 (c) of the Internal Revenue Code (relating to the deduction of taxes in computing net income) is amended to read as follows:

(c) *Taxes Generally.*

(1) *Allowance in general.* Taxes paid or accrued within the taxable year, except—

(A) Federal income taxes;

(B) war-profits and excess-profits taxes imposed by Title II of the Revenue Act of 1917, Title III of the Revenue Act of 1918, Title III of the Revenue Act of 1921, section 216 of the National Industrial Recovery Act, or section 702 of the Revenue Act of 1934, or by any such provisions as amended or supplemented;

(C) income, war-profits, and excess-profits taxes imposed by the authority of any foreign country or possession of the United States; but this deduction shall be allowed in the case of a taxpayer who does not sig-

nify in his return his desire to have to any extent the benefits of section 131 (relating to credit for taxes of foreign countries and possessions of the United States);

(D) estate, inheritance, legacy, succession, and gift taxes; and

(E) taxes assessed against local benefits of a kind tending to increase the value of the property assessed; but this paragraph shall not exclude the allowance as a deduction of so much of such taxes as is properly allocable to maintenance or interest charges.

(2) *Excess-profits tax under chapter 2E—Special rules.*—For the purposes of this subsection, in the case of the excess-profits tax imposed by Subchapter E of Chapter 2—

(A) The deduction shall be limited to the tax imposed for the taxable year, but any portion of such tax paid after the taxable year shall be considered as having been paid within the taxable year;

(B) No reduction in such tax shall be made by reason of the credit for income, war-profits, or excess-profits taxes paid to any foreign country or possession of the United States;

(C) Such tax shall be computed without regard to the adjustments provided in section 734; and

(D) Such tax, in the case of a consolidated return under section 730, shall be allocated to the members of the affiliated group under regulations prescribed by the Commissioner, with the approval of the Secretary.

* * * * *

SEC. 205. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title II.)

The amendments made by this title shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 20. Section 19.23 (c)–1 is amended by striking out the second sentence and inserting in lieu thereof the following:

Estate, inheritance, legacy, succession, and gift taxes and Federal income taxes are not deductible from gross income. The Federal war-profits and excess-profits taxes imposed by Title II of the Revenue Act of 1917, Title III of the Revenue Act of 1918, Title III of the Revenue Act of 1921, section 216 of the National Industrial Recovery Act, and section 702 of the Revenue Act of 1934 are not deductible from gross income. The excess-profits tax imposed by Subchapter E of Chapter 2 is deductible only for taxable years beginning after December 31, 1940, and its deductibility for such years is subject to the rules set forth in § 19.23 (c)–4.

PAR. 21. There is inserted immediately after § 19.23 (c)–3 the following:

§ 19.23 (c)–4 *Excess-profits tax under Subchapter E of Chapter 2 of the Internal Revenue Code.* The deductibility of the excess-profits tax imposed by Subchapter E of Chapter 2 of the Internal Revenue Code is subject to the following special rules:

(a) The deduction is limited to the excess-profits tax imposed for the taxable year. A taxpayer which computes its net income on the cash receipts and disbursements basis may deduct its excess-profits tax for any taxable year in its income tax return for such taxable year, despite the fact that such tax is not actually paid until after such taxable year. The deduction in the case of such a taxpayer, however, will be disallowed upon examination of the return to the extent that the excess-profits tax is not actually paid after such taxable year.

(b) The excess-profits tax, for the purposes of this deduction, shall be computed without reduction by reason of the credit for income, war-profits or excess-profits taxes paid to any foreign country or possession of the United States.

(c) For the purposes of this deduction, the excess-profits tax shall not be increased or decreased on account of any adjustment made under section 734, relating to adjustments in case of inconsistent position.

(d) The deduction allowable to a taxpayer which is a member of an affiliated group filing a consolidated excess-profits tax return is an amount which bears the same ratio to the excess-profits tax of the group as the normal-tax net income of the taxpayer, computed without a deduction for excess-profits tax, bears to the sum of the normal-tax net incomes of the several members of the group, computed without a deduction for excess-profits tax.

PAR. 22. Section 19.23 (e)–1 is amended by changing the last paragraph to read as follows:

Losses from the sale or other disposition of Treasury bills issued after June 17, 1930, and before March 1, 1941, are not deductible.

PAR. 23. Section 19.23 (o)–1, as amended by Treasury Decision 5057,[1] approved July 2, 1941, is further amended by striking "January 1, 1939" from the first paragraph and inserting in lieu thereof "January 1, 1938".

PAR. 24. There is inserted immediately preceding § 19.25–1 the following:

SEC. 111. PERSONAL EXEMPTION. (Revenue Act of 1941, Title I.)

(a) Section 25 (b) (1) of the Internal Revenue Code is amended to read as follows:

(1) *Personal exemption.* In the case of a single person or a married person not living with husband or wife, a personal exemption of $750; or in the case of the head of a family or a married person living with husband or wife, a personal exemption of $1,500. A husband and wife living together shall receive but one personal exemption. The amount of such personal exemption shall be $1,500. If such husband and wife make separate returns, the personal exemption may be taken by either or divided between them, except that if one spouse makes a return under Supplement T, the personal exemption of the other spouse shall be $750.

* * * * *

SEC. 113. CREDIT FOR DEPENDENTS. (Revenue Act of 1941, Title I.)

Section 25 (b) (2) of the Internal Revenue Code (relating to credit for dependents) is amended to read as follows:

(2) *Credit for dependents.*

(A) *Allowance in general.* $400 for each person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer if such dependent person is under eighteen years of age or is incapable of self-support because mentally or physically defective.

(B) *Exception for certain heads of families.* If the taxpayer would not occupy the status of head of a family except by reason of there being one or more dependent for whom he would be entitled to credit under subparagraph (A), the credit under such subparagraph shall be disallowed with respect to one of such dependents.

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.)

The amendments made by this title (except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 25. Section 19.25–3, as amended by Treasury Decision 5011, is further amended to read as follows:

Amount of personal exemption allowable. A single person or a married person not living with husband or wife is entitled to a personal exemption of $750 ($800 for a taxable year beginning after December 31, 1939, and before January 1, 1941, and $1,000 for a taxable year beginning before January 1, 1940), and the head of a family or a married person living with husband or wife, to $1,500 ($2,000 for a taxable year beginning after December 31, 1939, and before January 1, 1941, and $2,500 for a taxable year beginning before January 1, 1940). A husband and wife living together have but one personal exemption, which is $1,500 ($2,000 for a taxable year beginning after December 31, 1939, and before January 1, 1941, and $2,500 for a taxable year beginning before January 1, 1940). If they make separate returns, each may claim one-half of the personal exemption, or such exemption may, in accordance with an agreement entered into by them, be taken by either or divided between them in any proportion. If, however, one spouse elects to make a return under Supplement T, the personal exemption of the other spouse shall be $750.

PAR. 26. Section 19.25–6 is amended by inserting at the end thereof a new paragraph to read as follows:

If, for any taxable year beginning after December 31, 1940, a taxpayer occupies the status of the head of a family solely by reason of the existence of one or more dependents for whom he would be entitled to credit under section 25 (b) (2) (A) were it not for section 25 (b) (2) (B) the credit in respect of one of such dependents is disallowed. For example, a widower who occupies the status of the head of a family solely by reason of the fact that he is maintaining a home for two dependent children under 18 years of age is entitled to the credit of $400 allowed for one such dependent, and the credit for the other dependent is disallowed. If, however, in addition to the two dependent children under 18 years of age, the widower also supports and maintains in the home a child who is over 18 years of age and who is not mentally or physically defective, he is entitled to a credit of $400 for each of the two children under 18 years of age, since his support and maintenance of the child over 18 years of age is in itself sufficient to give him the status of head of a family, and therefore he does not occupy such status solely by reason of the existence of dependent children under 18 years of age.

[1] 6 F.R. 3274.

PAR. 27. Section 19.25–7, as amended by Treasury Decision 5011, is further amended to read as follows:

Personal exemption and credit for dependents where status changes. If the status of the taxpayer changes during the taxable year, the personal exemption allowed by section 25 (b) (1) to a single person, a married person not living with husband or wife, a head of a family, or a married person living with husband or wife, and the credit for dependents allowed by section 25 (b) (2) will be apportioned according to the number of months during which the taxpayer occupied each status. A taxpayer not having the status of a head of a family or the status of a married person living with husband or wife shall be considered as having the status of a single person. For the purpose of the apportionment of the personal exemption and credit for dependents a fractional part of a month shall be disregarded unless it amounts to more than half a month, in which case it shall be considered as a month. In the event one spouse elects to be taxed under Supplement T, the other spouse, not so electing, will be allowed for that portion of the taxable year during which there existed the status of a married person living with husband or wife one-half of the personal exemption allowed a married person for such portion of the taxable year. In general, the personal exemption and credit for dependents allowable to any taxpayer wil be the sum of the amounts apportioned to the several periods of the taxable year during which each status was occupied.

Example (1). A and B, who were heads of families during the first six months of 1941, were married on July 1, 1941, and lived together during the remainder of the year. If a joint return is made by A and B on the calendar year basis for 1941, the personal exemption will be $2,250; that is, ½ of $1,500 for A while the head of a family, plus ½ of $1,500 for B while the head of a family, plus ½ of $1,500 for the period during which they were married and living together. If separate returns are made by A and B on the calendar year basis for 1941 and neither elects to be taxed under Supplement T, each may claim a personal exemption of $1,125; that is, ½ of $1,500, plus ½ of ½ of $1,500. In the latter case, however, the joint exemption of ½ of $1,500 may by agreement be taken either by A or B or divided between them in any proportion.

Example (2). A and B were married and living together until November 30, 1941, when B, the wife, died. They had no dependents. The executor or administrator in making a return for B may claim a personal exemption of $750; that is, ½ of 11/12 of $1,500, or $687.50, for the period from the beginning of the taxable year to the date of the decedent's death, plus 1/12 of $750, or $62.50, for the period from the date of decedent's death to the close of the taxable year. If A, the surviving spouse, makes a return for 1941 on the calendar year basis, he may claim a personal exemption of $750; that is, ½ of 11/12 of $1,500, or $687.50, plus 1/12 of $750, or $62.50. However, if neither elects to be taxed under Supplement T, the combined personal exemption of A and B for the period during which they were married and living together, that is, 11/12 of $1,500, or $1,375, may by agreement be taken either by A, or by B's executor or administrator in behalf of B, or divided between them in any proportion.

Example (3). A and B were married and living together until June 30, 1941, when A, the husband, died. Prior to the date of death, A was the chief support of a child 10 years of age. B, the surviving spouse, supported and maintained the child in her household during the remainder of the year. The executor or administrator in making a return for A (not under Supplement T) is entitled, in addition to a personal exemption, to a credit for dependents in the amount of $200; that is, 6/12 of $400. However, since B qualifies as head of a family for the last six months solely by reason of the fact that she maintained a home for such dependent child, the credit for such dependent is disallowed.

Example (4). A, a widower having two dependent children under 18 years of age, married B on July 1, 1941. For the calendar year 1941, they file separate returns and B elects to be taxed under Supplement T. B is taxed as a single person and, since she receives the benefit of a $750 exemption, she, in effect, receives the benefit of half the marital exemption of $750 for the second half of the year by reason of her status on the last day of the taxable year. A, who is taxed under sections 11 and 12, is subject to the provisions of section 25 (b) (3) requiring an apportionment of the personal exemption and credit for dependents by reason of a change of status during the taxable year. A qualifies as the head of a family for the first six months of the taxable year and as a married person living with husband or wife for the last six months. Accordingly, his personal exemption is 6/12 of $1,500 for the first half of the year plus 6/12 of $750 for the second half, or $1,125. Inasmuch as his status as the head of a family arises from the fact that he maintained a home for two dependent children, the credit for one of such dependents for the first six months of the taxable year is disallowed. He is, therefore, entitled to a credit for dependents in the amount of $600; that is, 6/12 of $400, plus 6/12 of $800.

If the change of status shown by the preceding examples occurs in any taxable year beginning before January 1, 1941, the apportionment of the personal exemptions will be based upon an allowance of:

(a) For a taxable year beginning after December 31, 1939, and before January 1, 1941, $800 to a single person or a married person not living with husband or wife, and $2,000 to the head of a family or a married person living with husband or wife; and

(b) For a taxable year beginning before January 1, 1940, $1,000 to a single person or a married person not living with husband or wife, and $2,500 to the head of a family or a married person living with husband or wife.

The provisions of section 25 (b) (2) (B) requiring the disallowance of the credit for one dependent where the taxpayer's status as the head of a family results solely from the existence of one or more of such dependents are applicable only for taxable years beginning after December 31, 1940. Accordingly, in the application of the preceding examples to taxable years beginning prior to January 1, 1941, the disallowance in such cases of the credit for one dependent should be disregarded.

PAR. 28. Section 19.26–2 is amended by changing the example to read as follows:

Example. For 1939 the X Corporation, which makes its income tax returns on the calendar year basis, has a net income of $50,000, included in which is $10,000 of interest on United States obligations allowed as a credit under section 26 (a). For 1938 its gross income was $25,000 and its allowable deductions were $50,000. Included in such deductions was $15,000 for depletion based on discovery value. If depletion had been computed without reference to discovery value or to percentage depletion the amount of such deduction would have been $5,000. For 1938 the corporation had $15,000 of wholly tax-exempt interest, and paid $10,000 in interest on indebtedness incurred to carry the obligations from which such tax-exempt interest was derived. The net operating loss credit available to such corporation for 1939 is $10,000, computed as follows:

Deductions for 1938		$50,000
Less excess of depletion deduction computed on basis of discovery value over amount allowable for depletion without reference to discovery value or percentage depletion ($15,000–$5,000)		10,000
Deductions as limited by section 26 (c) (2) (A)		40,000
Gross income for 1938	$25,000	
Plus tax-exempt interest minus interest paid ($15,000–$10,000)	5,000	
Gross income contemplated by section 26 (c) (2) (B)		30,000
Excess of deductions over gross income for 1938		10,000
Net income for 1939		50,000
Less credit under section 26 (a) for interest received		10,000
Adjusted net income for 1939		40,000

The net operating loss credit is $10,000, that amount not being in excess of the adjusted net income for 1939.

PAR. 29. There is inserted immediately preceding § 19.42–1 the following:

SEC. 114. NONINTEREST-BEARING OBLIGATIONS ISSUED AT DISCOUNT. (Revenue Act of 1941.) Section 42 of the Internal Revenue Code (relating to period in which items of gross income are included) is amended by inserting before the first sentence thereof "(a) General Rule.—", and by inserting at the end of such section a new subsection to read as follows:

(b) *Noninterest-bearing obligations issued at discount.*—If, in the case of a taxpayer owning any noninterest-bearing obligation issued at a discount and redeemable for fixed amounts increasing at stated intervals, the increase in the redemption price of such obligation occurring in the taxable year does not (under the method of accounting used in computing his net income) constitute income to him in such year, such taxpayer may, at his election made in his return for any taxable year beginning after December 31, 1940, treat such increase as income received in such taxable year. If any such election is made with respect to any such obligation, it shall apply also to all such obligations owned by the taxpayer at the beginning of the first taxable year to which it applies and to all such obligations thereafter acquired by him and shall be binding for all subsequent taxable years, unless upon application by the taxpayer the Commissioner permits him, subject to such conditions as the Commissioner deems necessary, to change to a different method. In the case of any such obligations owned by the taxpayer at the beginning of the first taxable year to which his election applies, the increase in the redemption price of such obligations occurring between the date of acquisition and the first day of such taxable year shall also be treated as income received in such taxable year.

Par. 30. Section 19.42–1 is amended by striking out the first three sentences (including the sentence in parentheses) and inserting in lieu thereof the following:

Except as otherwise provided in section 42, gains, profits, and income are to be included in the gross income for the taxable year in which they are received by the taxpayer, unless they are included as of a different period in accordance with the approved method of accounting followed by him. (See §§ 19.41–1 to 19.41–3, inclusive.) In the case of the death of a taxpayer, there shall also be included in computing net income for the taxable period in which he died amounts accrued up to the date of his death if not otherwise properly includible in respect of such period or a prior period, regardless of the fact that the decedent may have kept his books and made his returns on the basis of cash receipts and disbursements. (As to income from noninterest-bearing obligations issued at discount, see § 19.42–6, and as to income from short-term obligations issued on a discount basis, see § 19.42–7.)

PAR. 31. There is inserted immediately after § 19.42–5 the following:

§ 19.42–6 *Noninterest-bearing obligations issued at discount.* If a taxpayer owns any noninterest-bearing obligation issued at a discount and redeemable for fixed amounts increasing at stated intervals, and if the increase in redemption price of such obligation occurring in the taxable year does not constitute income for such year under the method of accounting used in computing his net income, the taxpayer may, at his election, treat such increase as constituting income for the year in which it occurs rather than in the year in which the obligation is disposed of, redeemed, or paid at maturity. The election must be made in the taxpayer's return, and may be made for any taxable year beginning after December 31, 1940. The election shall apply also to all other obligations of the type described in this section owned by the taxpayer at the beginning of the first taxable year to which the election applies and to those thereafter acquired by him. It shall apply to the taxable year for which such return is filed, and shall be binding for all subsequent taxable years unless upon application by the taxpayer the Commissioner permits the taxpayer, subject to such conditions as the Commissioner deems necessary, to change to a different method of reporting income from such obligations. Although the election, once made, is binding upon the taxpayer, it does not apply to a transferee of such taxpayer.

In any case in which an election is made under this section, the amount considered to accrue in any taxable year to which the election applies is measured by the actual increases in the redemption price occurring in that year. Such amount shall not be considered to accrue ratably between the dates on which the redemption price changes. Thus, if two dates on which the redemption price increases fall within a taxable year and if the redemption price increases in the amount of 50 cents on each such date, the amount deemed to accrue in that year would be $1. If at the beginning of the first taxable year to which the election applies the taxpayer owns noninterest-bearing bonds of the prescribed character acquired prior thereto, he is required to report in such year, in addition to the increases in the redemption price actually falling within that year, the total of the increases in such price occurring between the date of his acquisition and the beginning of such year.

Example. Throughout the calendar year 1945, a taxpayer who makes his income tax returns on the calendar year basis and computes his net income on the cash receipts and disbursements basis holds the following United States bonds:

(a) United States savings bonds having a maturity value of $10,000, which he purchased on January 1, 1938, for $7,500. The entire increase in the redemption price of these bonds is exempt from normal tax but only such part of the increase as is attributable to $5,000 in principal amount (purchase price) of such bonds is exempt from the surtax.

(b) United States Defense Savings Bonds, Series E, having a maturity value of $5,000, which he purchased on January 1, 1942, for $3,750. The increase in the redemption price of these bonds is subject to both the normal tax and the surtax.

(c) United States Savings Bonds, Defense Series F, having a maturity value of $10,000, which he purchased on January 1, 1944, for $7,400. The increase in the redemption price of these bonds is subject to both the normal tax and the surtax.

The taxpayer holds no other obligations of the type described in this section. In his return for 1945 the taxpayer elects to treat the increases in the redemption prices of such bonds occurring in such year as income to him for such year. Under this section he is required in such return to report with respect to such bonds $250 as subject to normal tax and $750 as subject to surtax, determined as follows:

	Subject to normal tax		Subject to surtax	
	Increases prior to 1945	Increases in 1945	Increases prior to 1945	Increases in 1945
Bonds acquired Jan. 1, 1938	None	None	$400	$100
Bonds acquired Jan. 1, 1942	$100	$100	100	100
Bonds acquired Jan. 1, 1944	None	50	None	50
Total	$250		$750	

In the case of the United States savings bonds acquired on January 1, 1938, the increases of $400 and $100 in the redemption price are attributable to the principal amount (purchase price) in excess of $5,000.

PAR. 32. There is inserted immediately before § 19.42–1 and immediately after section 114 of the Revenue Act of 1941 the following:

SEC. 115. SHORT-TERM OBLIGATIONS ISSUED ON A DISCOUNT BASIS. (Revenue Act of 1941.) (a) *Discount accrued at maturity.* Section 42 of the Internal Revenue Code (relating to period in which items of gross income are included) is amended by inserting at the end thereof the following new subsection:

(c) *Short-term obligations issued on discount basis.* In the case of any obligation of the United States or any of its possessions, or of a State or Territory, or any political subdivision thereof, or of the District of Columbia, issued on or after March 1, 1941, on a discount basis and payable without interest at a fixed maturity date not exceeding one year from the date of issue, the amount of discount at which such obligation is originally sold shall not be considered to accrue until the date on which such obligation is paid at maturity, sold, or otherwise disposed of.

* * * * *

(c) *Effective date of amendments.* The amendments made by this section shall be applicable with respect to taxable years ending after February 28, 1941.

PAR. 33. There is inserted immediately after § 19.42–6 (added by paragraph 30 of this Treasury decision) the following:

§ 19.42–7 *Short-term obligations issued on discount basis.* In the case of any obligation of the United States or

any of its possessions, or of a State or Territory, or any political subdivision thereof, or of the District of Columbia, issued on or after March 1, 1941, on a discount basis and payable without interest at a fixed maturity date not exceeding one year from the date of issue, the amount of discount at which such obligation is originally sold shall not be considered to accrue until the date on which such obligation is paid at maturity, sold, or otherwise disposed of. Accordingly, if a taxpayer who computes his net income on the accrual basis purchases upon issuance a United States Treasury bill issued on or after March 1, 1941, and holds it until maturity, the entire amount of the discount at which the bill was originally sold accrues on the date of maturity; and if such a taxpayer holds a United States Treasury bill issued on or after March 1, 1941, for a period less than its life, the portion of the original discount attributable to such period accrues only on the date on which he sells or otherwise disposes of the bill or receives payment at maturity. The original discount or the portion of such discount, as the case may be, is includible only in the gross income for the taxable year in which the taxpayer sells or otherwise disposes of the bill or receives payment at maturity. For examples illustrating rules for computation of income from sale or other disposition of obligations of the type described in this section, see § 19.117–1.

PAR. 34. There is inserted immediately preceding § 19.51–1 the following:

SEC. 112. RETURNS OF INCOME TAX. (Revenue Act of 1941, Title I.)

(a) *Individual returns.* Section 51 (a) of the Internal Revenue Code is amended to read as follows:

(a) *Requirement.* The following individuals shall each make under oath a return stating specifically the items of his gross income and the deductions and credits allowed under this chapter and such other information for the purpose of carrying out the provisions of this chapter as the Commissioner with the approval of the Secretary may by regulations prescribe—

(1) Every individual who is single or who is married but not living with husband or wife, if having a gross income for the taxable year of $750 or over.

(2) Every individual who is married and living with husband or wife, if no joint return is made under subsection (b) and if—

(A) Such individual has for the taxable year a gross income of $1,500 or over, and the other spouse has no gross income; or

(B) Such individual and his spouse each has for the taxable year a gross income and the aggregate gross income is $1,500 or over.

* * * * *

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.)

The amendments made by this title (except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 35. Section 19.51–1, as amended by Treasury Decision 5057, is further amended as follows:

(A) By striking from the paragraph designated as "(b)" the figure "$800" and inserting in lieu thereof the following: "$750 ($800 for a taxable year beginning after December 31, 1939, and before January 1, 1941)".

(B) By striking from the paragraph designated as "(b)" the figure "$2,000" wherever occurring and inserting in lieu thereof the following: "$1,500 ($2,000 for a taxable year beginning after December 31, 1939, and before January 1, 1941)".

PAR. 36. Section 19.51–2, as amended by Treasury Decision 5011, is further amended as follows:

(A) By inserting immediately after the heading the following:

For taxable years beginning after December 31, 1940, the return shall be on Form 1040 except that it shall be on short Form 1040A if (1) the gross income does not exceed $3,000 and consists wholly of salary, wages, compensation for personal services, dividends, interest, rent, annuities, or royalties, and (2) the taxpayer elects to pay the tax imposed by section 400 in lieu of the tax imposed by sections 11 and 12.

(B) By striking out the first two sentences of the section before its amendment by (A) and inserting in lieu thereof the following paragraph:

For taxable years beginning before January 1, 1941, the return shall be on Form 1040 except that it shall be on short Form 1040A if (1) the net income does not exceed $5,000, or for taxable years beginning in 1940, if the gross income does not exceed $5,000, and is derived from interest, dividends, annuities, income from fiduciaries, and salaries, wages, commissions, bonuses, and other compensation for personal services, and (2) the taxpayer does not own a business or practice a profession on his own account and renders a return on the cash receipts and disbursements basis for the calendar year. The return shall be made on Form 1040 in all cases in which the taxpayer claims any deductions for losses from the renting of, or sale or exchange of, property.

PAR. 37. Section 19.51–3, as amended by Treasury Decision 5011, is further amended by striking out the figure "$800" wherever occurring and inserting in lieu thereof the following: "$750 ($800 for a taxable year beginning after December 31, 1939, and before January 1, 1941)".

PAR. 38. There is inserted immediately preceding § 19.55 (b)–1 the following:

SEC. 554. TRANSPORTATION OF PERSONS, ETC. (Revenue Act of 1941, Title V, Part V.)

* * * * *

(d) *Technical amendments.* (1) Section 55 (a) (2) of the Internal Revenue Code is amended by striking out "subchapters A and B of".

* * * * *

SEC. 558. EFFECTIVE DATE OF PART V. (Revenue Act of 1941, Title V, Part V.)

This part shall take effect on October 1, 1941.

PAR. 39. There is inserted immediately preceding § 19.102–1 the following:

SEC. 103. CORPORATION DEFENSE TAX RATES INCORPORATED IN RATE SCHEDULES. (Revenue Act of 1941, Title I.)

* * * * *

(d) *Surtax on corporations improperly accumulating surplus.* The rate schedule of section 102 of the Internal Revenue Code is amended to read as follows:

27½ per centum of the amount of the undistributed section 102 net income not in excess of $100,000, plus

38½ per centum of the undistributed section 102 net income in excess of $100,000.

* * * * *

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.)

The amendments made by this title (except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 40. Section 19.102–1, as amended by Treasury Decision 5011, is further amended by striking out "January 1, 1945" in the last sentence of the last paragraph, and inserting in lieu thereof "January 1, 1941".

PAR. 41. There is inserted immediately preceding § 19.102–1 and immediately after section 118 of the Revenue Act of 1941 the following:

SEC. 202. DEDUCTION OF EXCESS-PROFITS TAX. (Revenue Act of 1941, Title II.)

* * * * *

(b) *Amendment of section 102 (d).* Section 102 (d) (1) (A) of the Internal Revenue Code (relating to the deduction of taxes in computing section 102 net income) is amended to read as follows:

(A) *Taxes.*—Federal income, war-profits, and excess-profits taxes (other than the tax imposed by Subchapter E of Chapter 2 for a taxable year beginning after December 31, 1940) paid or accrued during the taxable year, to the extent not allowed as a deduction by section 23, but not including the tax imposed by this section or a corresponding section of a prior income-tax law.

* * * * *

SEC. 205. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title II.)

The amendments made by this title shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 42. Section 19.102–4 is amended by inserting immediately after the word "taxes" in (a) of the second sentence of the first paragraph the following:

(other than the tax imposed by Subchapter E of Chapter 2 of the Internal Revenue Code for a taxable year beginning after December 31, 1940).

PAR. 43. There is inserted immediately preceding § 19.104–1 the following:

SEC. 104. SURTAX ON CORPORATIONS AND TERMINATION OF DEFENSE TAX. (Revenue Act of 1941, Title I.)

* * * * *

(c) *Surtax on banks.* Section 104 (b) of the Internal Revenue Code (relating to certain banks and trust companies) is amended to read as follows:

(b) *Rate of tax.* Banks shall be subject to tax under section 13 or section 14 (b), and under section 15.

* * * * *

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.)

The amendments made by this title (except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 44. Section 19.104–1, as amended by Treasury Decision 5011, is further amended by striking out the last sentence of the second paragraph, and inserting in lieu thereof the following:

For a taxable year beginning after December 31, 1939, and before January 1, 1941, the tax is increased by the amount of the defense tax. For a taxable year beginning after December 31, 1940, such a bank is subject to the surtax imposed by section 15, as amended by section 104 of the Revenue Act of 1941.

PAR. 45. Section 19.112 (i)–1 is amended by striking out the last sentence in the first paragraph and inserting in lieu thereof the following:

The term "Federal income taxes" includes (1) the excess profits tax on the net income of a corporation referred to in section 106 of the Revenue Act of 1935, section 402 of the Revenue Act of 1936, and section 602 of the Revenue Act of 1938, (2) the declared value excess-profits tax referred to in section 600 of the Internal Revenue Code, and (3) the excess profits tax imposed by Subchapter E of Chapter 2 of the Internal Revenue Code.

PAR. 46. Section 19.115–5 is amended by striking "1936" wherever appearing in the example in subsection (b) and inserting "1937" in lieu thereof.

PAR. 47. There is inserted immediately preceding § 19.117–1 the following:

SEC. 115. SHORT-TERM OBLIGATIONS ISSUED ON A DISCOUNT BASIS. (Revenue Act of 1941.)

* * * * *

(b) *Capital gain rule not applicable.* Section 117 (a) (1) of the Internal Revenue Code (relating to definition of capital assets) is amended by striking out the semicolon at the end thereof and inserting in lieu thereof the following: ", or an obligation of the United States or any of its possessions, or of a State or Territory, or any political subdivision thereof, or of the District of Columbia, issued on or after March 1, 1941, on a discount basis and payable without interest at a fixed maturity date not exceeding one year from the date of issue;".

(c) *Effective date of amendments.* The amendments made by this section shall be applicable with respect to taxable years ending after February 28, 1941.

PAR. 48. Section 19.117–1 is amended by inserting after the second paragraph thereof the following paragraph:

Obligations of the United States or any of its possessions, or of a State or Territory, or any politicial subdivision thereof, or of the District of Columbia, issued on or after March 1, 1941, on a discount basis and payable without interest at a fixed maturity date not exceeding one year from the date of issue, are excluded from the term "capital assets". An obligation may be issued on a discount basis even though the price paid exceeds the face amount. Thus, although the Second Liberty Bond Act provides that United States Treasury bills shall be issued on a discount basis, the issuing price paid for a particular bill may, by reason of competitive bidding, actually exceed the face amount of the bill. Since the obligations of the type described in this section are excluded from the term "capital assets", gains or losses from the sale or exchange of such obligations are not subject to the percentage provisions of section 117 (b) and losses from such transactions are not subject to the limitation on losses provided in section 117 (d). It is, therefore, not necessary for a taxpayer, other than a life insurance company subject to taxation only on interest, dividends, and rents, to segregate the original discount accrued (see § 19.42–7) and the gain or loss realized upon the sale or other disposition of any such obligation.

Example (1). A (not a life insurance company) buys a $100,000 ninety-day Treasury bill upon issuance for $99,998. As of the close of the 45th day of the life of such bill, he sells it to B (not a life insurance company) for $99,999.50. The entire net gain to A of $1.50 may be taken into account as a single item of income, without allocating $1 to interest and $0.50 to gain. If B holds the bill until maturity his net gain of $0.50 may similarly be taken into account as a single item of income, without allocating $1 to interest and $0.50 to loss.

Example (2). The facts in this example are the same as in example (1) except that the selling price to B is $99,998.50. The net gain to A of $0.50 may be taken into account without allocating $1 to interest and $0.50 to loss, and, similarly, if B holds the bill until maturity his entire net gain of $1.50 may be taken into account as a single item of income, without allocating $1 to interest and $0.50 to gain.

PAR. 49. Section 19.122–4, as amended by Treasury Decision 5057, is further amended as follows:

(A) By striking out the fifth paragraph in the second example in subsection (b), and inserting in lieu thereof the following:

For 1941 the net income of H is deemed to be $2,000, i. e., $1,000, the portion of the combined net income for 1941 attributable to H, plus $1,000, the excess of the portion of the combined net income for 1941 attributable to W ($3,000) over the net operating loss carry-over of W to 1941 ($2,000). See paragraph (3) (ii) (A) and (B).

(B) By striking out the second "($1,000)" in the next to the last paragraph of the second example in subsection (b), and inserting in lieu therefor "($2,000)".

PAR. 50. There is inserted immediately preceding § 19.142–1 the following:

SEC. 112. RETURNS OF INCOME TAX. (Revenue Act of 1941, Title I.)

* * * * *

(b) *Fiduciary returns.* Section 142 (a) of the Internal Revenue Code is amended to read as follows:

(a) *Requirement of Return.* Every fiduciary (except a receiver appointed by authority of law in possession of part only of the property of an individual) shall make under oath a return for any of the following individuals, estates, or trusts for which he acts, stating specifically the items of gross income thereof and the deductions and credits allowed under this chapter and such other information for the purpose of carrying out the provisions of this chapter as the Commissioner with the approval of the Secretary may by regulations prescribe—

(1) Every individual having a gross income for the taxable year of $750 or over, if single, or if married and not living with husband or wife;

(2) Every individual having a gross income for the taxable year of $1,500 or over, if married and living with husband or wife;

(3) Every estate the gross income of which for the taxable year is $750 or over;

(4) Every trust the net income of which for the taxable year is $100 or over, or the gross income of which for the taxable year is $750 or over, regardless of the amount of the net income; and

(5) Every estate or trust of which any beneficiary is a nonresident alien.

* * * * *

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.) The amendments made by this title (except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 51. Section 19.142–1, as amended by Treasury Decision 5011, is further amended as follows:

(A) By striking from the paragraphs designated as "(c)" and "(d)" the figure "$800" wherever occurring and inserting in lieu thereof the following: "$750 ($800 for a taxable year beginning after December 31, 1939, and before January 1, 1941)".

(B) By striking from the paragraph designated as "(c)" the figure "$2,000" wherever occurring and inserting in lieu thereof the following: "$1,500 ($2,000 for a taxable year beginning after Decemcember 31, 1939, and before January 1, 1941)".

PAR. 52. Section 19.142–5, as amended by Treasury Decision 5011, is further amended as follows:

(A) By striking out the second and third sentences of subsection (b) and inserting in lieu thereof the following:

A citizen or resident fiduciary having the distribution of the income of an estate or trust shall make a return on Form 1040NB–a if a beneficiary, other than a resident of Canada with respect to income received prior to April 30, 1941, has gross income for the taxable year of more than $23,000 ($21,600 for a taxable year beginning before January 1, 1940, and $24,000 for a taxable year beginning after December 31, 1939, and before January 1, 1941) from the sources specified in section 211 (a), regardless of the amount of tax withheld at the source. If the gross income from such sources is $23,000 or less ($21,600 or less for a taxable year beginning before January 1, 1940, and $24,000 or less for a taxable year beginning after December 31, 1939, and before January 1, 1941), the return (if a return is required to be filed) for the beneficiary shall be on Form 1040NB.

(B) By striking out the next to the last sentence of subsection (b) and inserting in lieu thereof the following:

The fiduciary shall make a return on Form 1042 of the tax at 27½ percent (16½ percent for a taxable year beginning after December 31, 1939, and before January 1, 1941, and 10 percent for a taxable year beginning prior to January 1, 1940) on the entire amount of the income payable to the beneficiary, except that in the case of a beneficiary, resident of Canada, the rate shall be 5 percent with respect to income received prior to April 30, 1941.

PAR. 53. There is inserted immediately preceding § 19.147–1 the following:

SEC. 112. RETURNS OF INCOME TAX. (Revenue Act of 1941, Title I.)

* * * * *

(c) *Information returns.* Section 147 (a) of the Internal Revenue Code (relating to information at the source) is amended by striking out "$800" wherever occurring therein and inserting in lieu thereof "$750".

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.) The amendments made by this title (except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 54. Section 19.147–1, as amended by Treasury Decision 5011, is further amended as follows:

(A) By changing the heading of the section to read as follows: "*Return of information as to payments of $1,000 for 1939, $800 for 1940, and $750 for years thereafter.*"

(B) By changing the first sentence to read as follows:

All persons making payment to another person of fixed or determinable income of $1,000 or more in the calendar year 1939, or of $800 or more in the calendar year 1940, or of $750 or more in any subsequent year, must render a return thereof to the Commissioner for such year on or before February 15 of the following year, except as specified in §§ 19.147–3 to 19.147–5, inclusive.

PAR. 55. Section 19.147–2, as amended by Treasury Decision 5011, is further amended by changing the first sentence thereof to read as follows:

The names of all employees to whom payments of $1,000 or over a year are made during the calendar year 1939, or of $800 or over during the calendar year 1940, or of $750 or over during a subsequent calendar year, whether such total sum is made up of wages, salaries, commissions, or compensation in any other form, must be reported.

PAR. 56. Section 19.147–3, as amended by Treasury Decision 5011, is further amended as follows:

(A) By changing the first sentence to read as follows:

Payments of the following character, although over $1,000 during the calendar year 1939, or over $800 during the calendar year 1940, or over $750 during a subsequent calendar year, need not be reported in returns of information on Form 1099:

(B) By changing that part designated as "(e)" to read as follows:

(e) Payments of rent made to real estate agents (but the agent must report payments to the landlord if the amount paid during the calendar year 1939 was $1,000 or more, or during the calendar year 1940 was $800 or more, or during a subsequent calendar year was $750 or more);

(C) By changing that part designated as "(h)" to read as follows:

(h) Payments of salaries, or other compensation for personal services aggregating less than $2,500 for the calendar year 1939, or less than $2,000 for the calendar year 1940, or less than $1,500 for subsequent calendar years, made to a married individual (citizen or resident);

PAR. 57. Section 19.147–7, as amended by Treasury Decision 5011, is further amended by striking from the first sentence thereof "within a subsequent year" and by inserting in that sentence immediately after "$800 or more" the following: "within 1940, or $750 or more within a subsequent year".

PAR. 58. Section 19.148–1 is amended as follows:

(A) By striking out "(1) out of its earnings or profits accumulated after February 28, 1913, or (2) out of earnings or profits of the taxable year (computed as of the close of the taxable year without diminution by reason of any distributions made during the taxable year) without regard to the amount of the earnings and profits at the time the distribution was made," in the first sentence of subsection (a).

(B) By changing subsection (b) to read as follows:

(b) In the case of a distribution which is made from a depletion or depreciation reserve, or which for any other reason is deemed by the corporation to be nontaxable or partly nontaxable to its shareholders, the corporation will fill in the information on both sides of Form 1096 and forward this form, together with Forms 1099, to the Commissioner of Internal Revenue, Returns Distribution Section, Washington, D. C., not later than February 1 of the following year. Upon receipt of this information the Commissioner will advise the corporation by letter as to any apparent errors made by the corporation in computing the nontaxable portion of the distribution in order that the corporation may, if time permits, furnish such advice to its shareholders before the shareholders file their income tax returns for the year in which the distribution was made.

PAR. 59. Section 19.148–3, as amended by Treasury Decision 5015,[1] approved October 22, 1940, is further amended by striking out "$800" in the first paragraph and inserting in lieu thereof "$750."

PAR. 60. Section 19.201 (b)–1, as amended by Treasury Decision 5011, is further amended as follows:

(A) By striking out "January 1, 1945" in the last sentence in subsection (c), and inserting in lieu thereof "January 1, 1941".

(B) By inserting after the last sentence in subsection (c) the following:

For the surtax on corporations, including life insurance companies, imposed for taxable years beginning after December 31, 1940, see § 19.15–2.

PAR. 61. Section 19.204 (a)–1, as amended by Treasury Decision 5011, is further amended as follows:

(A) By striking out "January 1, 1945" in the last sentence in subsection (c), and inserting in lieu thereof "January 1, 1941".

(B) By inserting after the last sentence in subsection (c) the following:

For the surtax on corporations, including insurance companies other than life or mutual, imposed for taxable years beginning after December 31, 1940, see § 19.15–2.

PAR. 62. Section 19.207–1, as amended by Treasury Decision 5011, is further amended as follows:

(A) By striking out "January 1, 1945" in the last sentence in subsection (c), and inserting in lieu thereof "January 1, 1941".

(B) By inserting after the last sentence in subsection (c) the following:

For the surtax on corporations, including mutual insurance companies, imposed for taxable years beginning after December 31, 1940, see § 19.15–2.

PAR. 63. There is inserted immediately preceding § 19.211–1. the following:

SEC. 105. TAX ON NONRESIDENT ALIEN INDIVIDUALS. (Revenue Act of 1941, Title I.)

(a) *Tax in general.* Section 211 (a) (1) (A) of the Internal Revenue Code (relating to tax on nonresident alien individuals not engaged in trade or business within the United States and not having an office or place of business therein) is amended by striking out "15 per centum" and inserting in lieu thereof "27½ per centum".

(b) *Aggregate receipts more than $23,000.* Section 211 (a) (2) of the Internal Revenue Code is amended to read as follows:

(2) *Aggregate more than $23,000.* The tax imposed by paragraph (1) shall not apply to any individual if the aggregate amount received during the taxable year from the sources therein specified is more than $23,000.

(c) *Tax where gross income of more than $23,000.* Section 211 (c) of the Internal Revenue Code (relating to tax on certain nonresident alien individuals) is amended by striking out "$24,000" wherever occurring therein and inserting in lieu thereof "$23,000"; and by striking out "15 per centum" and inserting in lieu thereof "27½ per centum".

SEC. 108. TREATY OBLIGATIONS. (Revenue Act of 1941, Title I.)

No amendment made by this title shall apply to any case where its application would be contrary to any treaty obligation of the United States.

[1] 5 F.R. 4224.

SEC. 109. REDUCTION IN PURSUANCE OF TREATIES OF RATES OF TAX AND WITHHOLDING ON NONRESIDENT ALIEN INDIVIDUALS RESIDENT IN, AND CORPORATIONS ORGANIZED UNDER LAWS OF, WESTERN HEMISPHERE COUNTRIES. (Revenue Act of 1941, Title I.)

(a) Section * * * 211 (a) (1) (relating to tax on nonresident alien individuals); * * * of the Internal Revenue Code are amended by striking out "a contiguous country" and inserting in lieu thereof "any country in North, Central, or South America, or in the West Indies, or of Newfoundland".

(b) Section 211 (a) (3) of the Internal Revenue Code is amended to read as follows:

(3) *Residents of certain countries.* The provisions of paragraph (2) shall not apply to a resident of any country in North, Central, or South America, or in the West Indies, or of Newfoundland, so long as there is in effect with such country a treaty which provides otherwise.

(c) Section 211 (c) (4) of the Internal Revenue Code is amended to read as follows:

(4) This subsection shall not apply to a resident of any country in North, Central, or South America, or in the West Indies, or of Newfoundland, so long as there is in effect with such country a treaty which provides otherwise.

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.)

The amendments made by this title (except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 64. Section 19.211–7, as amended by Treasury Decision 5011, is further amended as follows:

(A) By striking out "$21,600 ($24,000 during a taxable year beginning after December 31, 1939)" wherever appearing therein and inserting in lieu thereof the following: "$23,000 ($24,000 during a taxable year beginning after December 31, 1939, and before January 1, 1941, and $21,600 during a taxable year beginning before January 1, 1940)".

(B) By striking from the second paragraph of subsection (a) "10 percent for a taxable year beginning prior to January 1, 1940, at the rate of 16½ percent for a taxable year beginning after December 31, 1939, and before January 1, 1945 (see § 19.15–1), and at the rate of 15 percent thereafter," and inserting in lieu thereof the following: "27½ percent (16½ percent for a taxable year beginning after December 31, 1939, and before January 1, 1941 (see § 19.15–1), and 10 percent for a taxable year beginning prior to January 1, 1940),".

(C) By striking from the second paragraph of subsection (a) "is reduced to 5 percent" and inserting in lieu thereof the following: "was reduced to 5 percent as to items of income received prior to April 30, 1941,".

(D) By striking from the second paragraph of subsection (a) "or 15 percent,".

(E) By inserting in the second paragraph of subsection (a) after "a contiguous country," the following: "or (for taxable years beginning after December 31, 1940) any country in North, Central, or South America, or in the West Indies, or of Newfoundland,".

(F) By striking from subsection (b) "10 percent, or 15 percent for a taxable year beginning after December 31, 1939," and inserting in lieu thereof the following: "27½ percent (15 percent for taxable years beginning after December 31, 1939, and before January 1, 1941, and 10 percent for taxable years beginning prior to January 1, 1940)".

(G) By striking out the last sentence of subsection (b) and inserting in lieu thereof the following: "Nonresident alien individuals, residents of Canada, were, with respect to income received prior to April 30, 1941, subject to the terms of the tax convention between the United States and Canada and the special provisions of subsection (a) of this section. Such special treatment is not applicable with respect to income of such taxpayers received on or after April 30, 1941."

(H) By striking from the first paragraph of subsection (c) "10 percent, or 15 percent for a taxable year beginning after December 31, 1939," and inserting in lieu thereof the following: "27½ percent (16½ percent, including the defense tax (see section 19.15–1) for a taxable year beginning after December 31, 1939, and before January 1, 1941, and 10 percent for a taxable year beginning prior to January 1, 1940)".

(I) By striking from the first paragraph of subsection (c) "1945" and inserting in lieu thereof "1941".

PAR. 65. Section 19.213–1, as amended by Treasury Decision 5011, is further amended as follows:

(A) By changing the heading of paragraph (2) of subsection (a) to read as follows:

(2) *Aggregate more than $23,000 ($24,000 for a taxable year beginning after December 31, 1939, and before January 1, 1941, and $21,600 for a taxable year beginning prior to January 1, 1940).*

(B) By striking from paragraph (2) of subsection (a) "$21,600, or more than $24,000 for a taxable year beginning after December 31, 1939," and inserting in lieu thereof the following: "$23,000 ($24,000 for a taxable year beginning after December 31, 1939, and before January 1, 1941, and $21,600 for a taxable year beginning prior to January 1, 1940)".

PAR. 66 There is inserted immediately preceding § 19.214–1 the following:

SEC. 111. PERSONAL EXEMPTION. (Revenue Act of 1941, Title I.)

* * * * *

(b) Section 214 of the Internal Revenue Code (relating to personal exemption of nonresident alien individuals) is amended by striking out "$800" and inserting in lieu thereof "$750".

* * * * *

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.)

The amendments made by this title (except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 67. Section 19.214–1, as amended by Treasury Decision 5011, is further amended as follows:

(A) By changing the heading of paragraph (2) of subsection (a) to read as follows:

(2) *Aggregate more than $23,000 ($24,000 for a taxable year beginning after December 31, 1939, and before January 1, 1941, and $21,600 for a taxable year beginning prior to January 1, 1940).*

(B) By striking from paragraph (2) of subsection (a) "$21,600, or more than $24,000 for a taxable year beginning after December 31, 1939," and inserting in lieu thereof the following: "$23,000 ($24,000 for a taxable year beginning after December 31, 1939, and before January 1, 1941, and $21,600 for a taxable year beginning prior to January 1, 1940)".

(C) By striking from subsection (b) "$1,000, or $800 for a taxable year beginning after December 31, 1939," and inserting in lieu thereof the following: "$750 ($800 for a taxable year beginning after December 31, 1939, and before January 1, 1941, and $1,000 for a taxable year beginning prior to January 1, 1940)".

PAR. 68. Section 19.215–1, as amended by Treasury Decision 5011, is further amended as follows:

(A) By changing the heading of paragraph (2) of subsection (a) to read as follows:

(2) *Aggregate more than $23,000 ($24,000 for a taxable year beginning after December 31, 1939, and before January 1, 1941, and $21,600 for a taxable year beginning prior to January 1, 1940).*

(B) By striking from paragraph (2) of subsection (a) "$21,600, or more than $24,000 for a taxable year beginning after December 31, 1939," wherever appearing therein and inserting in lieu thereof the following: "$23,000 ($24,000 for a taxable year beginning after December 31, 1939, and before January 1, 1941, and $21,600 for a taxable year beginning prior to January 1, 1940)".

PAR. 69. Section 19.217–2, as amended by Treasury Decision 5011, is further amended as follows:

(A) By changing the heading of paragraph (2) of subsection (a) to read as follows:

(2) *Aggregate more than $23,000 ($24,000 for a taxable year beginning after December 31, 1939, and before January 1, 1941, and $21,600 for a taxable year beginning prior to January 1, 1940).*

(B) By striking from paragraph (2) of subsection (a) "$21,600, or more than $24,000 for a taxable year beginning after December 31, 1939," and inserting in lieu thereof the following: "$23,000 ($24,000 for a taxable year beginning after December 31, 1939, and before January 1, 1941, and $21,600 for a taxable year beginning prior to January 1, 1940)".

(C) By striking from the first paragraph of subsection (b) "$1,000 during a taxable year beginning prior to January 1, 1940, or $800 during a taxable year beginning after December 31, 1939" and inserting in lieu thereof the following: "$750 ($800 during a taxable year beginning after December 31, 1939, and prior to January 1, 1941, and $1,000 during a taxable year beginning prior to January 1, 1940)".

PAR. 70. Section 19.219–1, as amended by Treasury Decision 5011, is further amended by striking out "$21,600, or more than $24,000 for a taxable year beginning after December 31, 1939," and inserting in lieu thereof the following: "$23,000 ($24,000 for a taxable year beginning after December 31, 1939, and prior to January 1, 1941, and $21,600 for a taxable year beginning prior to January 1, 1940),".

PAR. 71. There is inserted immediately preceding § 19.231–1 the following:

SEC. 104. SURTAX ON CORPORATIONS AND TERMINATION OF DEFENSE TAX. (Revenue Act of 1941, Title I.)

* * * * *

(d) *Surtax on resident foreign corporations.* Section 231 (b) of the Internal Revenue Code (relating to certain foreign corporations) is amended to read as follows:

"(b) *Resident corporations.* A foreign corporation engaged in trade or business within the United States or having an office or place of business therein shall be taxable as provided in section 14 (c) (1) and section 15."

* * * * *

SEC. 106. TAX ON FOREIGN CORPORATIONS (Revenue Act of 1941, Title I.)

Section 231 (a) of the Internal Revenue Code (relating to tax on nonresident foreign corporations) is amended by striking out "15 per centum" and inserting in lieu thereof "27½ per centum".

SEC. 108. TREATY OBLIGATIONS. (Revenue Act of 1941, Title I.)

No amendment made by this title shall apply in any case where its application would be contrary to any treaty obligation of the United States.

SEC. 109. REDUCTION IN PURSUANCE OF TREATIES OF RATES OF TAX AND WITHHOLDING ON NONRESIDENT ALIEN INDIVIDUALS RESIDENT IN, AND CORPORATIONS ORGANIZED UNDER LAWS OF, WESTERN HEMISPHERE COUNTRIES. (Revenue Act of 1941, Title I.)

(a) Section * * * 231 (a) (1) relating to tax on nonresident foreign corporations) of the Internal Revenue Code are amended by striking out "a contiguous country" and inserting in lieu thereof "any country in North, Central, or South America, or in the West Indies, or of Newfoundland".

* * * * *

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.)

The amendments made by this title (except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 72. Section 19.231–1, as amended by Treasury Decision 5011, is further amended as follows:

(A) By striking from the second paragraph of subsection (a) "15 percent, except that for taxable years beginning after December 31, 1939, and before January 1, 1945, the rate is 16½ percent (see § 19.15–1), and except further for a taxable year beginning before January 1, 1940, dividends are taxable at the rate of 10 percent" and inserting in lieu thereof the following: "27½ percent (16½ percent for a taxable year beginning after December 31, 1939, and before January 1, 1941 (see § 19.15–1), and 15 percent (10 percent as to dividends) for a taxable year beginning before January 1, 1940)".

(B) By inserting in the second paragraph of subsection (a) after "a contiguous country," the following: "or (as to taxable years beginning after December 31, 1940) any country in North, Central, or South America, or in the West Indies, or of Newfoundland,".

(C) By inserting at the end of subsection (a) the following: "Under the tax convention between the United States and Canada, effective January 1, 1936, the rate of 5 percent applied with respect to dividends paid prior to April 30, 1941, to such corporations organized under the laws of Canada."

(D) By striking out the first sentence in subsection (b) and inserting in lieu thereof the following:

A resident foreign corporation is not taxable upon the items of fixed or determinable annual or periodical income enumerated in section 231 (a) at the rate specified in that section.

(E) By striking out the last three sentences in the first paragraph of subsection (b) and inserting in lieu thereof the following:

For any taxable year beginning after December 31, 1939, a resident foreign corporation is, under section 14 (c) (1), as amended, liable to a tax of 24 percent (22⅙ percent for such a taxable year beginning before January 1, 1941) of its normal-tax net income (regardless of the amount thereof), that is, its net income from sources within the United States (gross income from sources within the United States minus the statutory deductions provided in sections 23 and 232) less the credits allowed against net income by section 26 (a) and (b). For the defense tax imposed for taxable years beginning after December 31, 1939, and before January 1, 1941, see section 19.15–1. For a taxable year beginning after December 31, 1940, a resident foreign corporation is liable to a surtax of 6 percent of the first $25,000 of its corporation surtax net income and 7 percent of the remainder thereof. The corporation surtax net income of a resident foreign corporation is its net income from sources within the United States less the credit allowed by section 26 (b), which credit is limited in amount to 85 percent of its net income from sources within the United States.

PAR. 73. Section 19.236–1 is amended as follows:

(A) By striking "section 231 (a)" from subsection (a) and by inserting in lieu thereof "Chapter 1".

(B) By striking from subsection (b) the portion of the first sentence beginning with "provided" and ending with "December 31, 1939)," and by inserting in lieu thereof "imposed by Chapter 1".

PAR. 74. There is inserted immediately preceding § 19.251–1 the following:

SEC. 104. SURTAX OF CORPORATIONS AND TERMINATION OF DEFENSE TAX. (Revenue Act of 1941, Title I.)

* * * * *

(e) *Surtax on corporations entitled to the benefits of section 251.* Section 251 (c) (1) of the Internal Revenue Code (relating to the tax on corporations entitled to the benefits of section 251) is amended to read as follows:

(1) *Corporation tax.* A domestic corporation entitled to the benefits of this section shall be subject to tax under section 13 or section 14 (b), and under section 15.

* * * * *

SEC. 111. PERSONAL EXEMPTION. (Revenue Act of 1941, Title I.)

* * * * *

(c) Section 251 (f) of the Internal Revenue Code (relating to personal exemption of citizens entitled to benefits of section 251) is amended by striking out "$800" and inserting in lieu thereof "$750".

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.)

The amendments made by this title (except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 75. Section 19.251–3 is amended by inserting at the end of the second paragraph the following:

For any taxable year beginning after December 31, 1940, a domestic corporation entitled to the benefits of section 251 is subject to the surtax imposed by section 15, as amended by section 104 of the Revenue Act of 1941. For the defense tax imposed for taxable years beginning after December 31, 1939, and before January 1, 1941, see § 19.15–1.

PAR. 76. There is inserted immediately preceding § 19.261–1 the following:

SEC. 104. SURTAX ON CORPORATIONS AND TERMINATION OF DEFENSE TAX. (Revenue Act of 1941, Title I.)

* * * * *

(f) *Surtax on China Trade Act Corporations.*

(1) *Surtax.* Section 261 (a) of the Internal Revenue Code (relating to the tax on China Trade Act corporations) is amended to read as follows:

(a) *Corporation tax.* A corporation organized under the China Trade Act, 1922 (42 Stat. 849; U.S.C., 1934 ed., title 15, ch. 4), shall be subject to tax under section 13 or section 14 (b), and under section 15.

* * * * *

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.)

The amendments made by this title except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 77. Section 19.261–1 is amended by inserting at the end of the second paragraph the following:

For a taxable year beginning after December 31, 1940, a China Trade Act corporation is liable to the surtax imposed by section 15 as amended by section 104 of the Revenue Act of 1941. For the defense tax imposed for taxable years

beginning after December 31, 1939, and before January 1, 1941, see § 19.15–1.

PAR. 78. There is inserted immediately preceding § 19.262–1 the following:

SEC. 104. SURTAX ON CORPORATIONS AND TERMINATION OF DEFENSE TAX. (Revenue Act of 1941, Title I.)

* * * * *

(f) *Surtax on China Trade Act Corporations.*

* * * * *

(2) *Credit of China Trade Act Corporations.* Section 262 (a) of the Internal Revenue Code (relating to credit against net income of China Trade Act corporations) is amended by striking out "sections 13, 14, and 600" and inserting in lieu thereof "sections 13, 14, 15, and 600"; and by striking out "section 13 or 14" wherever occurring therein and inserting in lieu thereof "section 13, 14, or 15".

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.)

The amendments made by this title (except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 79. Section 19.262–2, as amended by Treasury Decision 5011, is further amended as follows:

(A) By striking out the latter part of the first sentence of the first paragraph beginning with "and (2)" and inserting in lieu thereof the following:

(2) for the taxable year 1940, by section 13 or 14, as amended, and by section 600, and (3) for the taxable year 1941 and subsequent years, by section 13 or 14, as amended, by section 15, as amended, and by section 600.

(B) By striking out the third and fourth sentences of the first paragraph and inserting in lieu thereof the following:

The decrease in the tax imposed for 1939 by section 14 (d), prior to its amendment, for 1940 by section 13 or 14, as amended, or for 1941 and subsequent years by section 13 or 14, as amended, and by section 15, as amended, by reason of such credit must not, however, exceed the amount of the special dividend referred to in section 262 (b), and is not allowable unless the special dividend has been certified to the Commissioner by the Secretary of Commerce. The decrease in the tax imposed by section 600 by reason of such credit must not exceed the amount by which such special dividend exceeds the decrease permitted by section 262 in the tax imposed for 1939 by section 14 (d), prior to its amendment, for 1940 by section 13 or 14, as amended, and for 1941 and subsequent years by section 13 or 14, as amended, and section 15, as amended.

(C) By striking out example (2) and inserting in lieu thereof the following:

Example (2). Assume that for the calendar year 1941 the adjusted declared value of the capital stock is the same as for 1939 and that the other facts are the same as in example 1), except that a special dividend of $66,000 is distributed on February 15, 1942. Since, under section 13, as amended, the rate of income tax for 1941 is 24 percent, and, under section 15, as amended, the rate of surtax is 6 percent on the first $25,000 of corporation surtax net income and 7 percent on the remainder, the total income tax for such year consists of a normal income tax of $48,000 plus a surtax of $13,750, or $61,750. Since the special dividend ($66,000) exceeds the diminution of the income tax ($61,750) on account of the allowance of the special credit against net income, the entire amount of special credit is allowable and the corporation has no income tax liability for 1941. Since the special dividend exceeds the amount of the income tax by the sum of $4,250, which sum exceeds the amount of the diminution of the declared value excess-profits tax (6⁹⁄₁₀ percent of $50,000, or $3,300) on account of the allowance of the special credit against net income, the entire amount of the special credit ($200,000) is allowable for declared value excess-profits tax purposes for 1941 and hence the corporation has no declared value excess-profits tax liability for that year.

PAR. 80. There is inserted immediately preceding § 19.362–1 the following:

SEC. 103. CORPORATION DEFENSE TAX RATES INCORPORATED IN RATE SCHEDULES. (Revenue Act of 1941, Title I.)

* * * * *

(e) *Mutual investment companies.* Section 362 (b) of the Internal Revenue Code (relating to tax on mutual investment companies) is amended by striking out "22½₀ per centum" and inserting "24 per centum".

SEC 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.)

The amendments made by this title (except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 81. Section 19.362–1, as amended by Treasury Decision 5038, is further amended by striking out the first two sentences and by inserting in lieu the following:

If a corporation, as defined in section 3797 (a) (3), shows to the satisfaction of the Commissioner that it is entitled to the status of a mutual investment company, as defined in section 361, it is taxable upon its Supplement Q net income, as defined in section 362 (a), (1) at the rate of 16½ percent for any taxable year beginning after December 31, 1938, and before January 1, 1940, (2) at the rate of 22½₀ percent for any taxable year beginning after December 31, 1939, and before January 1, 1941, and (3) at the rate of 24 percent for any taxable year beginning after December 31, 1940. (For the defense tax imposed for taxable years beginning after December 31, 1939, and before January 1, 1941, see § 19.15–1.)

PAR. 82. There is inserted immediately after § 19.362–1 the following:

SEC. 104. SURTAX ON CORPORATIONS AND TERMINATION OF DEFENSE TAX. (Revenue Act of 1941, Title I.)

* * * * *

(b) *Surtax on mutual investment companies.* Supplement Q of the Internal Revenue Code (relating to mutual investment companies) is amended by inserting at the end thereof a new section to read as follows:

"SEC. 363. SURTAX ON MUTUAL INVESTMENT COMPANIES.

"(a) *Supplement Q surtax net income.* For the purposes of this chapter the term 'Supplement Q surtax net income' means the net income, computed without the net operating loss deduction provided in section 23 (s), minus the dividends paid during the taxable year increased by the consent dividends credit provided in section 28. For the purposes of this subsection the amount of dividends paid shall be computed in the same manner as provided in subsections (d), (e), (f), (g), (h), and (i) of section 27 for the purpose of the basic surtax credit provided in section 27.

"(b) *Imposition of tax.* There shall be levied, collected, and paid for each taxable year upon the Supplement Q surtax net income of every mutual investment company a surtax as follows:

"Upon Supplement Q surtax net incomes not in excess of $25,000, 6 per centum of the amount thereof;

"Upon Supplement Q surtax net incomes in excess of $25,000, $1,500, plus 7 per centum of the excess over $25,000."

* * * * *

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.)

The amendments made by this title (except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

§ 19.363–1 *Surtax on mutual investment companies.* For taxable years beginning after December 31, 1940, section 363 imposes a surtax upon the Supplement Q surtax net income of every corporation taxable as a mutual investment company. A mutual investment company's Supplement Q surtax net income is its net income (computed without the net operating loss deduction provided in section 23 (s)), less the amount of dividends paid during the taxable year increased by the consent dividends credit provided in section 28. For the purpose of computing a mutual investment company's Supplement Q surtax net income, the amount of dividends paid during the taxable year is determined in the same manner as provided in section 27 (d), (e), (f), (g), (h), and (i) for the purpose of the basic surtax credit provided in section 27.

PAR. 83. There is inserted immediately preceding § 19.373–1 the following:

SEC. 117. EXTENSION OF TIME OF ORDERS OF SECURITIES AND EXCHANGE COMMISSION. (Revenue Act of 1941.)

(a) *Extension.* Section 373 (a) of the Internal Revenue Code (relating to the definition of orders of the Securities and Exchange Commission with respect to which Supplement R applies) is amended to read as follows:

(a) The term "order of the Securities and Exchange Commission" means an order (1) issued after May 28, 1938, and prior to January 1, 1943, by the Securities and Exchange Commission to effectuate the provisions of section 11 (b) of the Public Utility Holding Company Act of 1935 (49 Stat. 820; U.S.C., Supp. V, title 15, section 79k (b)), or (2) issued by the Commission subsequent to December 31, 1942, in which it is expressly stated that an order of the character specified in clause (1) is amended or supplemented, and (3) which has become final in accordance with law.

(b) *Effective date of amendment.* The amendment made by this section shall be applicable only with respect to taxable years beginning after December 31, 1939.

PAR. 84. There is inserted immediately preceding § 19.500–1 the following:

SEC. 110. DEFENSE TAX RATES ON PERSONAL HOLDING COMPANIES AND TRANSFERS TO AVOID INCOME TAX INCORPORATED IN RATE SCHEDULES. (Revenue Act of 1941, Title I.)

(a) *Personal holding companies.* Section 500 of the Internal Revenue Code (relating to tax on personal holding companies) is amended as follows:

(1) By striking out the heading "(a) General Rule.—";

(2) By amending the rate schedule to read as follows:

"(1) 71½ per centum of the amount thereof not in excess of $2,000; plus

"(2) 82½ per centum of the amount thereof in excess of $2,000."; and

(3) By repealing subsection (b) (relating to defense tax for five years).

* * * * *

SEC. 118. TAXABLE YEARS TO WHICH AMENDMENTS APPLICABLE. (Revenue Act of 1941, Title I.)

The amendments made by this title (except sections 107, 115, 116, and 117) shall be applicable only with respect to taxable years beginning after December 31, 1940.

PAR. 85. Section 19.500–1, as amended by Treasury Decision 5011, is further amended by striking out the last sentence of the first paragraph and by inserting in lieu thereof the following:

For taxable years beginning before January 1, 1941, the surtax imposed by section 500 is 65 percent of the amount of the undistributed subchapter A net income not in excess of $2,000, and 75 percent of the amount of the undistributed subchapter A net income in excess of $2,000, except that for such a taxable year beginning after December 31, 1939, such surtax is increased 10 percent on account of the defense tax. For taxable years beginning after December 31, 1940, the rate of tax is 71½ percent of the undistributed subchapter A net income not in excess of $2,000, and 82½ percent of the undistributed subchapter A net income in excess of $2,000.

PAR. 86. Section 19.3801 (b)–0 is amended by striking out "and D" in the last paragraph and by inserting in lieu thereof "D, and E".

This Treasury decision is issued under the authority contained in section 62 of the Internal Revenue Code (53 Stat. 32; 26 U.S.C., Sup. V, 62) and sections 101 to 118 of the Revenue Act of 1941 (Public Law 250, 77th Congress).

[SEAL] GUY T. HELVERING,
Commissioner of Internal Revenue.

Approved: October 10, 1941.

JOHN L. SULLIVAN,
Acting Secretary of the Treasury.

[F. R. Doc. 41–7678; Filed, October 13, 1941; 11:04 a. m.]

SUBCHAPTER C—MISCELLANEOUS EXCISE TAXES

[T. D. 5085]

PART 183—PRODUCTION OF DISTILLED SPIRITS

By virtue of and pursuant to section 3176 of the Internal Revenue Code, Regulations 4, "Production of Distilled Spirits," (1940),[1] is hereby amended by inserting a new section in Articles VIII and XXX, designated § 183.47a and § 183.377a, respectively, and amending §§ 183.155 (a) (4), 183.214, 183.362, 183.376, 183.378, 183.381, and 183.383, to read as follows:

ARTICLE VIII—*Equipment*

§ 183.47a *Unfinished spirits tanks.* Whenever a distillery established or operated under the regulations in this part is to be operated alternately as such and as an industrial alcohol plant or fruit distillery in accordance with §§ 183.153–183.157, and the distiller desires to retain unfinished spirits where the change in type of plant is to be temporary only, he must provide for the purpose one or more tanks, each of which must be constructed and equipped in accordance with the provisions of § 183.46 and have painted thereon the words "Unfinished Spirits Tank," followed by its serial number and capacity in wine gallons. The tanks must be so arranged that the unfinished spirits to be collected therein will pass from the still into the tank through continuous and securely closed, fixed pipes and vessels. The pipe lines connecting the tanks with stills or other apparatus must be constructed in accordance with § 183.54. Valves must be provided in the pipe lines and so arranged as to control completely the flow of unfinished spirits both into and out of each tank. The construction of the valves must be such that they can be secured with Government locks. (Secs. 2823, 2829, 3176, I.R.C.)

ARTICLE XV—*Requirements Governing Alternate Operations as Fruit Distillery or Industrial Alcohol Plant*

§183.155 *Where no bonded warehouse on premises*—(a) *Suspension.*

* * * * *

(4) *Materials, heads and tails, and unfinished spirits.* If distilling materials are transferred to the successor or if heads and tails or unfinished spirits are to be retained on the premises pending the resumption of operations as a registered distillery, comply with the requirements of §§ 183.375–183.384.

* * * * *

[1] 5 F.R. 827

ARTICLE XX—*Manufacture of Distilled Spirits*

§ 183.214 *Gauging of unfinished spirits.* At distilleries where spirits, in the course of distillation, are run from the beer still into tanks in the distillery building for temporary deposit preparatory to completing the distillation thereof, storekeeper-gaugers shall promptly gauge (measure and proof) the unfinished spirits in such tanks and make proper entry on Form 1592. Except as provided in §§ 183.375–183.384, unfinished spirits may not be stored in such tanks but may be deposited therein only temporarily in the course of distillation. Distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil, collected in locked tanks for removal for denaturation or destruction, as provided in §§ 183.225–183.255, will be carried on Form 1592 as unfinished spirits until gauged and destroyed or removed for denaturation. (Sec. 3176, I.R.C.)

ARTICLE XXVII—*Suspension and Resumption of Operations*

§ 183.362 *Date of suspension.* The distiller will fix in the notice the time when all the beer on the distillery premises will be distilled and all spirits in the distillery run into the receiving cisterns in the cistern room, except unfinished spirits or distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil which are to be retained on the premises during a temporary change in the type of distillery, as provided in §§ 183.375–183.384. (Secs. 2850, 3176, I.R.C.)

ARTICLE XXX—*Alternate Operation as Industrial Alcohol Plant or Fruit Distillery*

§ 183.376 *Completion of operation required.* When a registered distillery is to be operated as an industrial alcohol plant or as a fruit distillery, the business of producing spirits, except as hereinafter provided, must be completely finished by the person or persons first carrying on the business, and the distillery duly suspended before it can be operated as an industrial alcohol plant or a fruit distillery. Except as provided in §§ 183.377 and 183.377a, all unfinished spirits, including high wines and low wines, and distillates containing one-half of 1 percent or more of aldehydes or 1 percent or more of fusel oil collected in accordance with the provisions of §§ 183.225–183.255, must be redistilled and run into the cistern room and warehoused by the outgoing distiller. Except as provided in the following sections, all such distillates or unfinished spirits must be disposed of before the distillery can be operated as an industrial alcohol plant or fruit distillery. (Secs. 2850, 3176, I.R.C.)

§ 183.377a *Retention of unfinished spirits.* Where the change in type of plant is to be temporary only, the outgoing distiller may retain unfinished spirits under Government lock in unfinished spirits tanks provided in accordance with § 183.47a in the distillery until the plant is again operated by him as a registered distillery under these regulations: *Provided,* That such distiller furnishes a duly executed consent of surety, Form 1533, in triplicate, continuing liability on the distiller's bond, Form 30, for the tax on such unfinished spirits retained on the premises, notwithstanding the change in the type of plant. (Sec. 3176, I.R.C.)

§ 183.378 *Transfer of materials, etc.* The outgoing distiller may transfer to his successor materials on hand, including mash and beer in process, at the time the change in type of plant takes place, but no spirits may be so transferred, except the residue of spirits in the stills which it is not practicable to completely boil out: *Provided,* That materials not usable and residue of spirits in stills not producible under the law at the succeeding type of plant may not be transferred to the successor. Where such materials and residue of spirits are not transferable, all mash and beer must be distilled, all basic materials must be removed from the premises, and the stills and other vessels must be completely cleared of spirits, and such spirits, if other than distillates or unfinished spirits intended for retention in accordance with the provisions of §§ 183.377 and 183.377a, removed to the receiving cisterns in accordance with law before the change in type of plant becomes effective. When it is again desired to resume operations as a distiller under the regulations in this part the business of producing alcohol or brandy, as the case may be, must be similarly finished and the industrial alcohol plant or fruit distillery suspended in accordance with governing regulations. (Sec. 3176, I.R.C.)

§ 183.381 *Completion of records.* The outgoing distiller will complete his record, Form 1598, and the storekeeper-gauger his record, Form 1592, as to the removal of basic materials from the premises, or the transfer of basic materials and mash and beer in process to the successor, as the case may be, and as to production and removal from the cistern room of all spirits produced by the outgoing distiller. The actual date of the entry of the deposit of the finished spirits in the cistern room and the actual date the spirits are removed from the cistern room will be given in the respective columns of both forms. If distillates collected in accordance with §§ 183.225–183.255, or unfinished spirits are retained on the premises in locked tanks as provided in §§ 183.377 and 183.377a, a notation will be made on Form 1598 under "Special Operations or Conditions," showing that such distillates or unfinished spirits are temporarily retained on the premises pending resumption of operations as a registered distillery. The storekeeper-gauger will make a similar notation on his Form 1592 for such distiller. The distiller and storekeeper-gauger will continue to file monthly reports on Forms 1598 and 1592, respectively, during the period such distillates or unfinished spirits are retained on the distillery premises. Where the plant is operated as a registered distillery in two or more periods during the same month by the same proprietor, the operations of such proprietor will be recorded on the same Form 1598 and the same Form 1592, but appropriate notations will be made on the separating lines on each form to show the dates the distillery was operated as a fruit distillery or an industrial alcohol plant and the names under which it was so operated. (Secs. 2841 (a), 3176, I.R.C.)

§ 183.383 *Disposition of spirits.* Where a change in the type of plant takes place, the storekeeper-gauger in charge of the distillery will see that all distillates collected in accordance with §§ 183.225–183.255 are disposed of, and that all other unfinished spirits, except the residue of spirits in stills where the same is to be transferred to the successor as provided in § 183.378, are distilled and transferred to the cistern room, unless retained in locked tanks in accordance with §§ 183.377 and 183.377a, respectively, before the plant is operated as another type of distillery. Upon disposition or retention in locked tanks of such distillates or unfinished spirits, and transfer of all other spirits to the cistern room, the distillery may be operated as another type of plant, but all spirits transferred to the cistern room must be branded and removed in accordance with law by the outgoing distiller in the name under which they were produced, before any spirits are deposited in the cistern room or withdrawn from the distillery by the successor, and in any event within three days of their deposit in the cistern room. (Sec. 3176, I.R.C.)

[SEAL] NORMAN D. CANN,
Acting Commissioner of Internal Revenue.

Approved: October 9, 1941.
JOHN L. SULLIVAN,
Acting Secretary of the Treasury.

[F. R. Doc. 41–7634; Filed, October 10, 1941; 1:57 p. m.]

TITLE 30—MINERAL RESOURCES

CHAPTER III—BITUMINOUS COAL DIVISION

[Docket No. A–1047]

PART 322—MINIMUM PRICE SCHEDULE, DISTRICT NO. 2

ORDER GRANTING TEMPORARY RELIEF AND CONDITIONALLY PROVIDING FOR FINAL RELIEF IN THE MATTER OF THE PETITION OF FAYWEST COAL COMPANY, A CODE MEMBER IN DISTRICT NO. 2, FOR CHANGE IN LOADING POINTS

An original petition, pursuant to section 4 II (d) of the Bituminous Coal Act of 1937, having been duly filed with this Division by the above-named party, requesting permission to change the loading point of Mine No. 119 (Mine Index No. 374) of the Faywest Coal Company on the Pennsylvania Railroad from Fairchance, Pennsylvania, to Shaw Mine Siding, Pennsylvania; and

The Director finding that a reasonable showing of necessity has been made for the granting of temporary relief in the manner hereinafter set forth; and

No petitions of intervention having been filed with the Division in the above-entitled matter; and

The Director deeming that his action is necessary in order to effectuate the purposes of the Act:

It is ordered, That pending final disposition of the above-entitled matter, temporary relief is granted as follows: Commencing forthwith, § 322.7 (*Alphabetical list of code members*) in the Schedule of Effective Minimum Prices for District No. 2 For All Shipments Except Truck is amended so that all shipments made from Mine No. 119 (Mine Index No. 374) of the Faywest Coal Company on the Pennsylvania Railroad shall be made from Shaw Mine Siding, Pennsylvania, and no further shipments from Mine No. 119 shall be made from Fairchance, Pennsylvania.[1]

It is further ordered, That pleadings in opposition to the original petition in the above-entitled matter and applications to stay, terminate or modify the temporary relief herein granted may be filed with the Division within forty-five (45) days from the date of this Order, pursuant to the Rules and Regulations Governing Practice and Procedure before the Bituminous Coal Division in Proceedings Instituted Pursuant to section 4 II (d) of the Bituminous Coal Act of 1937.

It is further ordered, That the relief herein granted shall become final sixty (60) days from the date of this Order, unless the Director shall otherwise order.

Dated: October 10, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41–7676; Filed, October 13, 1941; 10:08 a. m.]

TITLE 32—NATIONAL DEFENSE

CHAPTER VI—SELECTIVE SERVICE SYSTEM

ORDER AUTHORIZING THE STATE DIRECTOR OF SELECTIVE SERVICE OF OKLAHOMA TO ORDER ADDITIONAL OR ALTERNATIVE PHYSICAL EXAMINATIONS.

By virtue of the provisions of the Selective Training and Service Act of 1940 (54 Stat. 885) and the authority vested in me by the rules and regulations prescribed by the President thereunder, and

[1] Nothing herein shall be deemed to affect permission heretofore granted petitioner to load coal from its Mine No. 119 (Mine Index No. 374) on the Baltimore & Ohio Railroad at Outcrop, Pennsylvania.

more particularly the provisions of section XLVIII of the Selective Service Regulations, I hereby authorize the State Director of Selective Service of Oklahoma to direct any local board in the State of Oklahoma to order registrants to appear for and submit to a physical examination by an Examining Board of the armed forces, either in addition to or in lieu of the physical examination provided for in Volume Three, "Classification and Selection."

In proceeding under this authorization, the State Director of Selective Service of Oklahoma will be guided by the provisions of section XLVIII of the Selective Service Regulations. The right of all registrants to an appeal shall be preserved and no registrant shall be ordered to report for induction on less than 10 days' notice, as provided in Paragraph 415 of the Selective Service Regulations, as amended.

The State Director of Selective Service of Oklahoma shall submit to the Director of Selective Service copies of plans, forms, and directives prescribed for use by him in carrying out this authorization.

LEWIS B. HERSHEY,
Director.

OCTOBER 9, 1941.

[F. R. Doc. 41-7649; Filed, October 11, 1941; 12:20 p. m.]

ORDER AUTHORIZING THE STATE DIRECTOR OF SELECTIVE SERVICE OF TEXAS TO ORDER ADDITIONAL OR ALTERNATIVE PHYSICAL EXAMINATIONS

By virtue of the provisions of the Selective Training and Service Act of 1940 (54 Stat. 885) and the authority vested in me by the rules and regulations prescribed by the President thereunder, and more particularly the provisions of section XLVIII of the Selective Service Regulations, I hereby authorize the State Director of Selective Service of Texas to direct any local board in the State of Texas to order registrants to appear for and submit to a physical examination by an Examining Board of the armed forces, either in addition to or in lieu of the physical examination provided for in Volume Three, "Classification and Selection."

In proceeding under this authorization, the State Director of Selective Service of Texas will be guided by the provisions of section XLVIII of the Selective Service Regulations. The right of all registrants to an appeal shall be preserved and no registrant shall be ordered to report for induction on less than 10 days' notice, as provided in Paragraph 415 of the Selective Service Regulations, as amended.

The State Director of Selective Service of Texas shall submit to the Director of Selective Service copies of plans, forms, and directives prescribed for use by him in carrying out this authorization.

LEWIS B. HERSHEY,
Director.

OCTOBER 9, 1941.

[F. R. Doc. 41-7650; Filed, October 11, 1941; 12:20 p. m.]

CHAPTER VIII—EXPORT CONTROL

SUBCHAPTER C—ECONOMIC DEFENSE BOARD

EXPORT CONTROL SCHEDULE NO. 22

By virtue of Executive Order No. 8712,[1] of March 15, 1941, Executive Order No. 8900,[2] of September 15, 1941, and Order No. 1, of the Economic Defense Board, of September 15, 1941,[3] I, Milo Perkins, Executive Director, Economic Defense Board, have determined that:[4]

1. Effective October 29, 1941, the forms, conversions, and derivatives of arnica (Proclamation No. 2506) [5] shall include the following:

Unit of quantity	Commodity description	Department of Commerce No.
	ARNICA	
Lbs.	Arnica flowers, leaves, or root, whole, granulated or powdered	2209.33

2. Effective October 29, 1941, the forms, conversions, and derivatives of wood (Item 3, Proclamation No. 2503 [6]) shall include the following in addition to items previously determined:

Unit of quantity	Commodity description	Department of Commerce No.
	WOOD	
	Lignum vitae:	
M. ft.	Logs	4009-F
M. ft.	Boards and lumber	4199-F

3. Effective October 29, 1941, the forms, conversions, and derivatives of Silk (Item u, Paragraph 2, Proclamation No. 2413 [7]) shall include the following in addition to items previously determined:

Unit of quantity	Commodity description	Department of Commerce No.
	SILK	
	Silk manufactures:	
Lbs.	Sewing, embroidery and crochet silk.	3719
Lbs.	Other broad silks	3720.98
Lbs.	Silk ribbons	3729.11

4. Effective October 29, 1941, the forms, conversions, and derivatives of Iron and Steel (Proclamation No. 2449) [8] shall include the following in addition to items previously determined:

Unit of quantity	Commodity description	Department of Commerce No.
	IRON AND STEEL	
Lbs.	Carbonyl iron powder	6209.33

5. Effective October 29, 1941, the forms, conversions, and derivatives of Machinery (Proclamation No. 2475 [9]) shall include the following in addition to items previously determined:

Unit of quantity	Commodity description	Department of Commerce No.
	MACHINERY	
	Furnaces, industrial, other than electric:	
Units	Metal working	7750.22
Units	Other than metal working	7750.25

6. Effective this date, the following item as listed in Export Control Schedule No. 18 [10] under precious metals is hereby deleted from the forms, conversions, and derivatives subject to export license requirement.

Unit of quantity	Commodity description	Department of Commerce No.
	PRECIOUS METALS	
$ Value	Gold manufactures, including gold and gold plated ware and gold pen points.	6997

MILO PERKINS,
Executive Director.

OCTOBER 13, 1941.

[F. R. Doc. 41-7694, Filed, October 13, 1941; 11:51 a. m.]

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[1] 6 F.R. 1501.
[2] 6 F.R. 5795.
[3] 6 F.R. 4828.
[4] The numbers which follow the commodity descriptions in the following schedule refer to Commerce Department classifications established in Schedule B, "Statistical Classifications of Domestic Commodities Exported from the United States" or Schedule F, "Statistical Classification of Foreign Commodities Exported from the United States." The words are controlling and the numbers are included solely for the purpose of statistical classification by various Government agencies.
[5] 6 F.R. 4469.
[6] 6 F.R. 4231.
[7] 5 F.R. 2467.
[8] 5 F.R. 4903.
[9] 6 F.R. 1983.
[10] 6 F.R. 4664.

CHAPTER IX—OFFICE OF PRODUCTION MANAGEMENT

SUBCHAPTER B—PRIORITIES DIVISION

PART 923—TUNGSTEN

Supplementary Order No. M–29–a

§ 923.4 *Supplementary order No. M–29–a.* (a) It is hereby ordered by the Director of Priorities that, subject to all the other provisions, restrictions, and limitations of General Preference Order M–29,[1] issued August 30, 1941, any person is authorized to receive deliveries of tungsten in the forms specified below up to but not exceeding an aggregate of 100 pounds contained tungsten during any calendar month, without filing Form PD–9 as prescribed in paragraph (b) (12) of said order:

(1) The element tungsten in pure form, ferro-tungsten, tungsten in the form of metal powder, and other combinations with other elements in semi-manufactured or manufactured form, prepared for consumption in the manufacture of steel, or for other purposes;

(2) All chemical compounds having tungsten as an essential and recognizable component.

(b) This order shall take effect immediately upon its issuance, and unless sooner terminated by direction of the Director of Priorities, shall expire on the 31st day of December, 1941. (P.D. Reg. 1, Aug. 27, 1941, 6 F.R. 4489; OPM Reg. 3, as amended Sept. 2, 1941, 6 F.R. 4865, E.O. 8629, Jan. 7, 1941, 6 F.R. 191; E.O. 8875, Aug. 28, 1941, 6 F.R. 4483; sec. 2 (a), Public No. 671, 76th Congress, Third Session, as amended by Public No. 89, 77th Congress, First Session; sec. 9, Public No. 783, 76th Congress, Third Session)

Issued this 13th day of October 1941.

DONALD M. NELSON,
Director of Priorities.

[F. R. Doc. 41–7654; Filed, October 13, 1941; 9:49 a. m.]

PART 965—IRON AND STEEL SCRAP

General Preference Order No. M–24 to Conserve the Supply and Direct the Distribution of Iron and Steel Scrap

Whereas the national defense requirements have created a shortage of iron and steel scrap for defense, for private account, and for export, and it is necessary in the public interest and to promote the defense of the United States to conserve the supply and direct the distribution thereof.

Now, therefore, it is hereby ordered:

§ 965.1 *General preference order*—(a) *Priority control.* All the provisions and definitions of Priorities Regulation No. 1,[1] issued by the Director of Priorities on August 27, 1941 (Part 944), as amended from time to time, are hereby included as a part of this Order with the same effect as if specifically set forth herein, except as otherwise specifically provided herein.

(b) *Additional definitions.* For the purposes of this Order:

(1) "Scrap" means all ferrous materials, either alloyed or unalloyed, of which iron or steel is a principal component, which are the waste of industrial fabrication, or objects that have been discarded on account of obsolescense, failure or other reason.

(2) "Producer" means any person who produces Scrap in the conduct of a business or other enterprise.

(3) "Dealer" and/or "Broker" means any person who, as principal or as agent, buys and sells Scrap in the regular course of his business.

(4) "Consumer" means any person who uses Scrap in the production of Iron, steel or ferro-alloy material or products.

(c) *Provisions relating to producers.* On or before the 15th day of each month, beginning November 15, 1941, Producers who have during the preceding month produced 20 gross tons or more of Scrap shall file reports as prescribed by the Director of Priorities showing Scrap inventory, production and sales, and such other information as the Director may from time to time require.

(d) *Provisions relating to dealers and brokers.* On or before the 15th day of each month, beginning November 15, 1941, Dealers and Brokers shall file reports as prescribed by the Director of Priorities, showing Scrap inventory, purchases and sales, and such other information as the Director may from time to time require.

(e) *Provisions relating to consumers.* On or before the 15th day of each month, beginning November 15, 1941, Consumers shall file reports as prescribed by the Director of Priorities, showing Scrap inventory, production, receipts and consumption, and such other information as the Director may from time to time require.

(f) *Special instructions.* The Director of Priorities may from time to time issue specific directions to any person as to the source, destination, or amount of Scrap to be delivered or acquired by such person.

(g) *Violations.* Any person affected by this Order who falsifies records or reports which he is required by this Order to keep or file, or who violates any other provision of this Order or any other Order, regulation, or other directive issued by the Office of Production Management may be prohibited by the Director of Priorities from making or receiving deliveries of Scrap, or may be subjected to such other or further action as the Director may deem appropriate.

(h) *Effective dates.* This Order shall take effect immediately, and, unless sooner terminated by direction of the Director of Priorities, shall expire on the 30th day of June, 1942. (P.D. Reg. 1, Aug. 27, 1941, 6 F.R. 4489; OPM Reg. 3, March 8, 1941, 6 F.R. 1596, as amended Sept. 12, 1941, 6 F.R. 4865; E.O. 8629, Jan. 7, 1941, 6 F.R. 191; E.O. 8875, Aug. 28, 1941, 6 F.R. 4483; sec. 2 (a), Public No. 671, 76th Congress, Third Session, as amended by Public No. 89, 77th Congress, First Session; sec. 9, Public No. 783, 76th Congress, Third Session.)

Issued this 11th day of October 1941.

DONALD M. NELSON,
Director of Priorities.

[F. R. Doc. 41–7644; Filed, October 11, 1941; 10:20 a. m.]

PART 977—MANILA FIBER AND MANILA CORDAGE

Amendment to General Preference Order No. M–36 to Conserve the Supply and Direct the Distribution of Manila Fiber and Manila Cordage

Whereas the uncertainty of future shipments of Manila Fiber from abroad and National Defense requirements for Manila Cordage have created a shortage thereof for defense and for private account and for export, and it is necessary in the public interest and to promote the defense of the United States, to conserve the supply and direct the distribution thereof;

Now, therefore, it is hereby ordered, That:

Section 977.1 (*General Preference Order No. M–36*[1]) is hereby amended to read as follows:

§ 977.1 *General preference order No. M–36*—(a) *Regulations incorporated in this order.* Except as expressly modified by the terms of this Order, all of the provisions and definitions of Priorities Regulation No. 1, Part 944, issued August 27, 1941, by the Director of Priorities, as amended from time to time, are hereby incorporated in and made a part of this Order as fully and with the same effect as if specifically herein set forth.

(b) *Definitions for the purposes of this order.* (1) "Manila Fiber" means fiber which is commonly known in the trade by this term and also known as Abaca or Manila Hemp (either stripped or decorticated), Sumatra Abaca, and Panama Abaca, except that "Manila Fiber" does not mean fiber of grades T, O, W, or Y as established by the Insular Government of the Philippine Islands.

(2) "Manila Cordage" means cables and ropes $\frac{3}{16}$" in diameter and larger, and twines used for fishing nets, in which Manila Fiber either alone or in combination with other materials is used.

(3) "Class A Cordage" means Manila Cordage which contains such a combi-

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[1] 6 F.R. 4521.

[1] 6 F.R. 4489.

[1] 6 F.R. 4534.

nation of grades of Manila Fiber as will at least equal the fiber quality requirements of Federal Specifications T–R–601a.

(4) "Class B Cordage" means Manila Cordage which contains such a combination of grades of Manila Fiber as will give a Becker value not in excess of thirty-nine, such Becker value to be determined according to the methods set forth in said Federal Specifications T–R–601a.

(5) "Class C Cordage" means Manila Cordage which contains no Manila Fiber of the following grades: AB Davao or non-Davao, CD Davao or non-Davao, E Davao or non-Davao, F Davao or non-Davao, I Davao, JI Davao, G Davao, S2 Davao, and in addition to which is so processed that the Manila Fiber therein contained is combined or mixed with at least an equal amount of fiber other than Manila Fiber.

(6) "Cordage Processor" means any Person who spins, twists, weaves or otherwise uses Manila Fiber in the production of Manila Cordage.

For the purposes of this Order the term "Cordage Processor" shall also mean any Person who imports Manila Cordage.

(7) "Processing" means any use of Manila Fiber for the manufacture of any other article or commodity into which the Manila Fiber goes or of which it becomes a part.

(8) "Dealer" means any person who procures Manila Cordage for storage or for sale, and includes selling agents, warehousemen and other commercially recognized agents acting for their own account or for others, whether or not acquiring title to such Manila Cordage.

(c) *Restrictions on deliveries of manila fiber.* No Person shall hereafter make delivery and no Person shall accept delivery of Manila Fiber, unless specifically authorized by the Director of Priorities: *Provided, however,* That deliveries of imported Manila Fiber may be made without restriction by any Person importing the same, either directly or through an agent; *Further provided,* That deliveries of Manila Fiber may be made without restriction by any Person importing the same to any Cordage Processor as herein defined; *And further provided,* That deliveries of Manila Fiber may be made without restriction by or to Defense Supplies Corporation and by or to any other agency of the Federal Government.

(d) *Restrictions on processing of manila fiber.* (1) Unless specifically authorized by the Director of Priorities, no Person shall hereafter begin the processing of any Manila Fiber except for the purpose of manufacturing Class A, Class B or Class C Cordage.

(2) Unless specifically authorized by the Director of Priorities, no Person shall, after midnight August 20, 1941, begin the processing of any Manila Fiber for the purpose of manufacturing any Class A or Class B Cordage except for sale or delivery to fulfill those categories of orders specified in (e) (2) below.

(3) Manila Fiber may be processed for the purpose of manufacturing Class C Cordage without restriction.

(e) *Restrictions on sales and deliveries of manila cordage.* (1) Except as provided in paragraphs (e) (3) and (e) (4), no Cordage Processor shall sell or deliver to a Dealer and no Dealer shall buy or accept delivery of any Manila Cordage so long as the inventory thereof in the hands or under the control of the Dealer is sufficient to enable such Dealer to fulfill those categories of orders specified in (e) (2) below which he will be required to fulfill within ninety days thereafter as indicated by his customary rate of operation.

(2) Except as provided in paragraphs (e) (3), (e) (4), and (e) (5), no Cordage Processor or Dealer, unless specifically authorized by the Director of Priorities, shall sell or deliver Manila Cordage except to fulfill the following categories of orders:

(i) Defense orders.

(ii) Purchase Orders for use by Persons in the following catagories of usage:

(*a*) Commercial Marine.

(*b*) Oil Wells and Gas Wells—for the following uses only: drilling cables, bull ropes, catlines, spinning lines, torpedo lines, and derrick lines.

(*c*) Mining—for the following uses only; hoisting and transmission of power.

(3) Class C Cordage may be sold and delivered without restriction.

(4) Notwithstanding the provisions of (e) (1) and (e) (2), any Cordage Processor or Dealer may sell or deliver Manila Cordage of any class as follows:

(i) Sales for direct export from the United States of America, if such export shall have been specifically licensed by the Administrator of Export Control; or

(ii) Sales from stocks on hand or in process as of August 29, 1941, of the following types:

(*a*) Manila Yacht Rope.

(*b*) Manila Lariat Rope.

(*c*) Manila Yacht Lariat Rope.

(*d*) Manila Rope with a Becker value of 36 or below.

(*e*) Manila Rope of such special construction as to be unfit to fulfill any of the categories of orders outlined in (e) (2).

(5) Notwithstanding the provisions of paragraph (e) (2), any Dealer may make retail sales in lengths of less than 540 feet of any Manila Cordage on hand or in transit to him on August 29, 1941.

(f) *Effective date and termination.* This Order shall take effect immediately, and unless sooner revoked by direction of the Director of Priorities, shall expire on February 28, 1942. (F.R. Reg. 1, Aug. 27, 1941, 6 F.R. 4489; O.P.M. Reg. 3, March 8, 1941, 6 F.R. 1596, as amended, Sept. 12, 1941, 6 F.R. 4865; E.O. 8629, Jan. 7, 1941, 6 F.R. 191; E.O. 8875, Aug. 28, 1941, 6 F.R. 4483; sec. 2 (a), Public No. 671, 76th Congress, Third Session, as amended by Public No. 89, 77th Congress, First Session; sec. 9, Public No. 783, 76th Congress, Third Session)

Issued this 13th day of October 1941.

DONALD M. NELSON,
Director of Priorities.

[F. R. Doc. 41–7655; Filed, October 13, 1941; 9:49 a. m.]

CHAPTER XI—OFFICE OF PRICE ADMINISTRATION

PART 1309—COPPER AND COPPER ALLOYS

PRICE SCHEDULE NO. 20—COPPER SCRAP[1]

The Office of Price Administration is charged with the maintenance of price stability and the prevention of undue price rises and price dislocation. Copper scrap is a basic material for the production of electrolytic copper, copper ingot and copper alloy ingot, all of which are important in the manufacture of many defense products. Requirements of the defense program have increased the demand for copper scrap causing its price to rise above levels which are in proper relation to the price level of primary materials. Price instability and dislocations injurious to the national defense and civilian economy have resulted. As a consequence, it has become difficult and in some cases impossible for the trade to cooperate with the Government in preventing inflationary price movements. On the basis of information secured by independent investigation by this Office, and after consultation with the trade, I find that the maximum prices set forth below constitute reasonable limitations on the price of copper scrap.

Therefore, under the authority vested in me by Executive Order 8734, it is hereby directed that §§ 1309.61 to 1309.70, inclusive, are hereby amended to read as follows:

§ 1309.61. *Maximum prices for copper scrap.* On and after October 17, 1941, regardless of the terms of any contract of sale or purchase or other commitment, except as provided in §§ 1309.64 and 1309.69 hereof, no person shall sell, offer to sell, deliver, or transfer copper scrap, and no person shall buy, offer to buy, or accept delivery of copper scrap at prices higher than the maximum prices set forth in Appendix A hereof incorporated herein as §1309.70.*

* §§ 1309.61 to 1309.70, inclusive, issued pursuant to the authority contained in Executive Orders No. 8734, 8875, 6 F.R. 1917, 4483.

§1309.62 *Less than maximum prices.* Lower prices than those set forth in Appendix A may be charged, demanded, paid or offered.*

§ 1309.63 *Evasion.* The price limitations set forth in this Schedule shall not

[1] 6 F.R. 4213.

be evaded whether by direct or indirect methods in connection with a purchase, sale, delivery or transfer of copper scrap, alone or in conjunction with any other material, or by way of any commission, service, transportation or other charge or discount, premium, or other privilege, or by tying agreement or other trade understanding, or otherwise.*

§ 1309.64 *Permission to carry out contracts entered into prior to August 19, 1941.* Any person who, prior to August 19, 1941, has entered into a contract of sale or other firm commitment calling for the delivery or transfer after that date, of copper scrap at prices higher than the maximum prices established by this Schedule prior to October 17, 1941, may make application to the Office of Price Administration on forms which will be furnished upon request, for permission to carry out such contract or commitment at the contract price. Such permission will be granted only when necessary to protect the applicant against loss in the disposition of inventory acquired prior to August 19, 1941 at prices higher than the maximum prices heretofore established by this Schedule and held on that date by (a) the applicant, or (b) any other person for delivery to the applicant under a firm commitment entered into with the applicant prior to August 19, 1941. Such application shall be filed with the Office of Price Administration on or before October 19, 1941.*

§ 1309.65 *Records and reports.* Every person making purchases or sales of copper scrap after August 19, 1941, shall keep for inspection by the Office of Price Administration for a period of not less than one year, complete and accurate records of (a) each such purchase or sale showing the date thereof, the name and address of the buyer or the seller, the price paid or received, and the quantity in pounds or tons of each kind or grade purchased or sold; and (b) the quantity in pounds or tons of copper scrap (1) on hand, and (2) on order, as of the close of each calendar month.

Persons affected by this Schedule shall submit such reports to the Office of Price Administration as it may, from time to time, require.*

§ 1309.66 *Enforcement.* In the event of refusal or failure to abide by the price limitations, record requirements, or other provisions of this Schedule, or in the event of any evasion or attempt to evade the price limitations or other provisions of this Schedule, the Office of Price Administration will make every effort to assure (a) that the Congress and the public are fully informed thereof, (b) that the powers of Government, both state and federal, are fully exerted in order to protect the public interest and the interests of those persons who comply with this Schedule, (c) that full advantage will be taken of the cooperation of the various political subdivisions of state, county, and local governments by calling to the attention of the proper authorities, failures to comply with this Schedule which may be regarded as grounds for the revocation of licenses and permits; and (d) that the procurement services of the Government are requested to refrain from selling to or purchasing from those persons who fail to comply with this Schedule. Persons who have evidence of the offer, receipt, demand or payment of prices higher than the maximum prices, or of any evasion or effort to evade the provisions hereof, or of speculation, or manipulation of prices of copper scrap, or of the hoarding or accumulating of unnecessary inventories thereof, are urged to communicate with the Office of Price Administration.*

§ 1309.67 *Modification of the Schedule.* Persons complaining of hardship or inequity in the operation of this Schedule may apply to the Office of Price Administration for approval of any modification thereof or exception therefrom.*

§ 1309.68 *Definitions.* When used in this Schedule, the term:

(a) "Person" means an individual, partnership, association, corporation, or other business entity.

(b) "Copper scrap" means the kinds and grades of scrap materials set forth in Appendix A of this Schedule.*

§ 1309.69 *Effective date of the schedule.* (a) This Schedule shall become effective on August 19, 1941.

(b) Contracts of sale or other firm commitments calling for the delivery or transfer of copper scrap entered into between August 19, 1941 and October 17, 1941 at prices in excess of the maximum prices established by the amendments to this Schedule effective October 17, 1941 may be completed at contract prices provided that (1) such prices are not in excess of the maximum prices established by this Schedule prior to October 17, 1941, (2) the copper scrap so delivered or transferred was on hand at the seller's plant or warehouse prior to October 17, 1941, and (3) provided further that a report as to the pertinent terms of all such contracts is furnished to this Office on Form 120:6 prior to November 1, 1941.*

§ 1309.70 *Appendix A; maximum prices.* For the purpose of this Schedule each grade of scrap listed below shall include all kinds and qualities of scrap falling within the broad catagory listed. However, the maximum prices herein set forth are applicable only to copper scrap which meets maximum standards for such grades generally accepted in the trade, as for instance the standards set forth in the Standard Classification for Old Metals, Circular O of the National Association of Waste Material Dealers, Inc., effective as of June 1, 1940. Scrap which fails to meet such standards shall be sold at a price less than the applicable maximum price. This Schedule does not include copper scrap which is a by-product of the fabrication of copper sheet, tube, rod or other brass mill products, the maximum prices for which are established by Price Schedule No. 12—Brass Mill Scrap.

(a) *Kind or grade of scrap.*

	Maximum prices per pound of material, f. o. b. point of shipment
No. 1 copper wire	10¢
No. 1 heavy copper	10¢
No. 2 copper wire (containing 96% copper)	9¢
Mixed heavy copper (containing 96% copper)	9¢
Light copper (containing 92% copper)	8¢

If the copper content of No. 2 copper wire or mixed heavy copper scrap is more or less than 96% or if the copper content of light copper scrap is more or less than 92%, the maximum price per pound of material set forth above shall be increased or decreased at the rate of 0.11775 cents for each 1% variation in the copper content with proportionate adjustments for variations of less than 1%.

Prices may be quoted or material invoiced on a delivered price basis. However, if prices are so quoted or material is so invoiced, and the total delivered price exceeds the maximum price fixed by this Schedule, (1) the delivery charge shall be shown as a separate item, (2) the price f. o. b. point of shipment (calculated by subtracting the delivery charge from the total delivered price) shall not exceed the maximum price set forth in this Schedule, and (3) the delivery charge shall not exceed the lowest commercial rate for the most nearly comparable service.

(b) *Premiums.* To the maximum prices set forth above either but not both of the following premiums may be added if the conditions set forth below are fulfilled:

(1) Premium for copper scrap in crucible shape—1¼¢ per pound.

Copper scrap in crucible shape shall include only:

(i) Briquetted No. 1 copper wire. A briquette shall include any compressed, self-adhering bundle whose measurements do not exceed 16 x 10 x 12 inches and which contains nothing but clean, untinned No. 1 copper wire of 16 B & S wire gauge or larger, free from burnt, brittle copper wire and from all foreign substances.

(ii) No. 1 heavy copper scrap, trolley wire, or other copper wire of 16 B & S wire gauge or larger which is (*a*) clean, free from tin, solder, brazing and all other foreign substances, (*b*) cut or bundled in lengths not exceeding 16 inches, and (*c*) in a shape suitable for charging into a crucible or electric furnace.

(2) Premium on shipments of 40,000 pounds or more at one time—½¢ per pound. (This premium shall not apply to copper scrap in crucible shape.)

For the purposes of this premium a shipment of copper scrap may be made up of any kind or kinds of copper scrap listed in this Schedule. If delivery is made by truck, a shipment made "at one time" may include all deliveries made to the buyer within a period of 48 consecutive hours.

(c) *Special-purpose copper scrap.* Copper wire especially selected and prepaired for the use of producers of copper sulphate or of other chemicals, copper segments used by makers of copper powder, or any copper scrap prepared for the special use of steel mills, iron foundries, aluminum smelters or any other special user except producers of copper, brass or bronze castings may upon application to the Office of Price Administration be granted a special premium above the maximum prices fixed by this Schedule. This premium shall be granted only (1) if the specified material has normally commanded such a premium because of its special uniformity, purity, or preparation, (2) if the material is sold to the type of user for whom it has been especially prepared, and (3) if the sale to the specific user has been approved by the Office of Price Administration.*

These amendments shall become effective October 17, 1941.

Issued this 10 day of October, 1941.

LEON HENDERSON,
Administrator.

[F. R. Doc. 41-7636; Filed, October 10, 1941; 3:41 p. m.]

CHAPTER XI—OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY

PART 1337—RAYON

PRICE SCHEDULE NO. 23—RAYON GREY GOODS

Correction

§ 1337.22 *Appendix A; maximum prices for rayon grey goods* in F.R. Doc. 41:6345 appearing at page 4372 of the FEDERAL REGISTER for August 26, 1941 is corrected to read as follows:

§ 1337.22 *Appendix A; maximum prices for rayon grey goods.* The maximum prices for the enumerated constructions of rayon grey goods established by this Schedule are applicable to *all sales* of rayon grey goods whether made by the manufacturer or by any other person.

Type of fabric	Off loom width	Cloth count (grey)	Warp	Filling	Price per yard f. o. b. manufacturer's mill
					Cents
Viscose Twill	38″	112 x 68	150 denier viscose	150 denier viscose	20
	40½″	92 x 64	150 denier viscose	150 denier viscose	18¾
	40½″	84 x 64	150 denier viscose	150 denier viscose	18
	40½″	72 x 46	150 denier viscose	150 denier viscose	14
	42½″	108 x 64	150 denier viscose	150 denier viscose	20½
Viscose Taffeta	39″	110 x 44	150 denier viscose	150 denier viscose	16½
	39″	96 x 44	150 denier viscose	150 denier viscose	15½
	39″	88 x 44	150 denier viscose	150 denier viscose	14½
	39″	68 x 42	150 denier viscose	150 denier viscose	12¾
	40½″	84 x 60	150 denier viscose	150 denier viscose	17
Acetate Twill	37″	120 x 72	150 denier acetate	150 denier viscose	22
Acetate Taffeta	42″	112 x 68	150 denier acetate	150 denier viscose	22½
Pigment Taffeta	39″	110 x 48	150 denier acetate	150 denier acetate	17¾
	40½″	92 x 68	100 denier pigment viscose.	150 denier pigment viscose.	18
	43½″	92 x 64	100 denier pigment viscose.	150 denier pigment viscose.	18½
	40½″	72 x 56	150 denier pigment viscose.	150 denier pigment viscose.	15½
Viscose Satin	40″	140 x 64	100 denier viscose	150 denier viscose	22
	40″	140 x 56	100 denier viscose	150 denier viscose	21
	40″	110 x 48	150 denier viscose	150 denier viscose	17
	42½″	180 x 72	150 denier viscose	150 denier viscose	28½

Type of fabric	Off loom width	Cloth count (grey)	Warp	Filling	Price per yard f. o. b. manufacturer's mill
SPUN RAYON					*Cents*
Twill	40½″	128 x 60	30 s/1 spun viscose	30 s/1 spun viscose	19½
Challis	40½″	68 x 62	30 s/1 spun viscose	30 s/1 spun viscose	13½
Oneway Flake	40½″	68 x 44	30 s/1 spun viscose	18 s/1 average spun flake viscose.	14
Poplin	40½″	104 x 44	30 s/1 spun viscose	14 s/1 spun viscose	18½
File Challis	41″	66 x 38	30 s/1 spun viscose	14 s/1 spun viscose	14½
10% Blend	41″	66 x 38	30 s/1 spun 10% acetate, 90% viscose.	14 s/1 spun 10% acetate, 90% viscose.	15
20% Blend	42½″	52 x 36	14 s/1 spun 20% acetate, 80% viscose.	14 s/1 spun 20% acetate, 80% viscose.	17½
30% Blend	40″	60 x 52	20 s/1 spun 30% acetate, 70% viscose.	20 s/1 spun 30% acetate, 70% viscose.	18½

Type of fabric	Reed width	Cloth count: Ends in loom	Cloth count: Picks off loom	Warp (combined and twisted)	Filling (combined and twisted)	Price per yard f. o. b. manufacturer's mill
COMBINATION YARNS (TWIST ON TWIST)						*Cents*
2-ply Alpaca	48″	44	36	150 denier acetate 150 denier viscose crepe twist.	150 denier acetate 150 denier viscose crepe twist.	30
"Magic Hour" type	48″	54	44	150 denier acetate 100 denier viscose crepe twist.	150 denier acetate 100 denier viscose crepe twist.	34½
"Cynara" type	47″	52	40	150 denier acetate 100 denier viscose crepe twist.	150 denier acetate 100 denier viscose crepe twist.	32
"Tricolido" type	48″	44	38	150 denier acetate abraded. 150 denier viscose crepe twist.	150 denier acetate 150 denier viscose crepe twist.	31½
"Mock Romaine" type	47″	52	46	150 denier acetate 100 denier viscose crepe twist.	200 denier acetate	29½

Type of fabric	Off loom width	Cloth count (grey)	Warp	Filling	Price per yard f. o. b. manufacturer's mill
					Cents
Acetate Satin	42″	200 x 72	75 denier acetate	100 denier acetate	25½
	42″	180 x 72	75 denier acetate	100 denier acetate	24¼
	42″	180 x 64	75 denier acetate	120 denier acetate	24
	42″	225 x 90	55 denier multi-filament acetate.	75 denier multi-filament acetate.	27½
Acetate Taffeta	42″	180 x 60	75 denier acetate	150 denier acetate	23½
French crepe	41″	104 x 72	100 denier multi-filament pigment viscose.	150 denier multi-filament viscose voile twist.	23½

Type of fabric	Reed width	Cloth count: Ends in loom	Cloth count: Picks off loom	Warp	Filling	Price per yard f. o. b. manufacturer's mill
French crepe	43½″	150	94	75 denier acetate	75 denier viscose voile twist.	28½
Acetate suiting	43½″	102	48	150 denier acetate	300 denier acetate	23½
Spun rayon filled poplin	43½″	108	48	150 denier acetate	14 s/1 spun viscose	23½

Type of fabric	Reed width	Cloth count (grey)		Warp	Filling	Price per yard f. o. b. manufacturer's mill
		Ends in loom	Picks off loom			
CREPE						*Cents*
Acetate warp	45″	110 x 64		120 denier acetate	100 denier viscose crepe twist.	27
	45″	135 x 64		100 denier acetate	100 denier viscose crepe twist.	28½
	48″	90 x 48		150 denier acetate	150 denier viscose crepe twist.	23½
All-Viscose	44″	150 x 76		75 denier pigment viscose.	75 denier viscose crepe twist.	29
	45″	114 x 68		100 denier multi-filament pigment viscose.	100 denier viscose crepe twist.	27½
SHEERS		Off-loom				
		Ends	Picks			
Cuprammonium triple-sheer.	46″	104 x 72		75 denier cuprammonium crepe twist.	75 denier cuprammonium.	27
Viscose triple-sheer	46″	104 x 72		75 denier viscose crepe twist.	75 denier viscose	25½
Cuprammonium triple-sheer.	48″	104 x 72		75 denier cuprammonium crepe twist.	75 denier cuprammonium.	28
Viscose triple-sheer	48″	104 x 72		75 denier viscose crepe twist.	75 denier viscose	26½
Viscose georgette	50″	80 x 72		75 denier viscose crepe twist.	75 denier viscose crepe twist.	28

TITLE 33—NAVIGATION AND NAVIGABLE WATERS

CHAPTER I—COAST GUARD

PART 6—ANCHORAGE REGULATIONS

REGULATIONS FOR THE CONTROL OF VESSELS IN THE TERRITORIAL WATERS OF THE UNITED STATES

Pursuant to the authority contained in section 1, Title II of the Espionage Act, approved June 15, 1917, 40 Stat. 220 (U.S.C. title 50, sec. 191), and by virtue of a Proclamation issued on the twenty-seventh day of June, 1940 (5 F.R. 2419), the Regulations relating to the control of vessels in the territorial waters of the United States (5 F.R. 2442), issued by the Secretary of the Treasury and approved by the President on June 27, 1940, are hereby amended as follows:

Section 4 is amended to read as follows:

§ 6.4 *Inspection and search.* (a) The captain of the port or other officer designated by the Secretary of the Treasury pursuant to § 6.2 hereof is hereby authorized to cause to be inspected and searched at any time any vessel, foreign or domestic, or any person or package thereon, within the territorial waters of the United States, and to remove therefrom any or all persons not specially authorized by him to go or to remain on board thereof.

(b) Every person on board any vessel, foreign or domestic, within the territorial waters of the United States shall carry personal identification papers satisfactory to the captain of the port consisting of a card to which is affixed the photograph of the bearer and containing such identifying data as name, signature, fingerprint, date and place of birth, nationality, alien registration number (in the case of resident aliens), height, weight, color of hair and eyes, such card to be furnished by the captain of the port or the identification data shown thereon to be in a form acceptable to him. In lieu of such card, the captain of the port may, in his discretion, accept any other satisfactory means of identification, such as a continuous discharge book, or a certificate of identification issued under authority of section 4551 of the Revised Statutes, as amended (U.S.C. title 46, sec. 643), or a passport. The captain of the port is further authorized, in his discretion, to exempt any or all persons on board of any such vessel, or any or all persons on board any class of vessels, from the requirement of personal identification. He may also, upon notification to the owners, agents, masters, or operators thereof, exclude individual vessels from a class of vessels to which is granted a general exemption from the requirement of personal identification. For the purposes of this paragraph, the Commandant, with the approval of the Secretary of the Treasury, may classify vessels as provided in § 6.6 (d). The issuance of identification cards and the exercise of discretion by captains of ports with respect to the identification requirements contained in this paragraph shall be subject to the supervision of the Secretary of the Treasury, acting through the Commandant of the Coast Guard, and the Commandant may, subject to approval by the Secretary of the Treasury, issue such instructions to captains of the port as he may deem necessary to provide general uniformity.

Section 6, to be effective fifteen days after the date of publication in the FEDERAL REGISTER, is amended to read as follows:

§ 6.6 *Special authorization for licenses, etc.* (a) Except with respect to the departure of a vessel for which a departure permit is required by § 6.7 of the regulations in this part, no vessel shall depart from any port or place in the United States, or from any port or place subject to the jurisdiction of the United States, for a point outside the territorial waters of the United States unless the owner, agent, or master of such vessel shall first obtain from the captain of the port in whose jurisdiction the vessel is to depart a license authorizing such departure.

(b) Except with respect to the departure of a vessel for which a departure permit is required by § 6.7 of the regulations in this part, or for which a departure license is required by paragraph (a) of this section, no vessel shall move in territorial waters of the United States unless the owner, agent, or master of such vessel shall first obtain from the captain of the port in whose jurisdiction the vessel is to move a license authorizing such movement. The captain of the port may, in his discretion, issue one license covering the requirements of this paragraph and paragraph (a) of this section.

(c) Every application for license under the provisions of this section shall be filed with the captain of the port in duplicate and shall include a statement by the owner, agent, or master of such vessel describing the purpose for which the vessel is to be operated and its destination or the area in which it will operate. If the capain of the port finds that the granting of a license under the circumstances would not be inimical to the interests of national defense and of the safety and protection of vessels or the territorial waters, he shall approve the application by endorsing it accordingly and shall return to the owner, agent, or master one copy thereof so endorsed. An application when so approved shall constitute a license to depart or move for the purpose and to the destination or in the area specified in the application. Such license shall be carried on the vessel for which it is issued while the vessel is operated, shall be exhibited for inspection upon the request of any officer charged with the enforcement of the regulations in this part, and shall be valid for repeated departures or movements of the subject vessel for the same purpose and to the same destination or area until revoked by the issuing officer or until the expiration of the time limit, if any, fixed in the license. The captain of the port who issued the license, or any captain of the port in whose jurisdiction the vessel may be, may revoke a license by notice to the holder thereof if he shall find that (1) there has been any violation of the terms thereof, or (2) any person on board of the subject vessel has failed to comply with the identification requirements of § 6.4 (b) of the regulations in this part, or (3) further exercise of the li-

cense would be inimical to the interests of national defense or of the safety and protection of vessels or the territorial waters. The issuance and revocation of licenses by captains of the port shall be subject to the supervision of the Secretary of the Treasury, acting through the Commandant of the Coast Guard, and the Commandant may, subject to approval by the Secretary of the Treasury, issue such instructions to the captain of the port as he may deem necessary to provide general uniformity.

(d) The Commandant of the Coast Guard, with the approval of the Secretary of the Treasury, may issue a general license for any class or classes of vessels for which a departure or movement license is required by this section if he finds that the granting of such a general license would not be inimical to the interests of national defense and of the safety and protection of vessels or the territorial waters; he may exclude individual vessels from a general license at the time of issuance or subsequently upon notification to the owners, agents, masters, or operators thereof: *Provided,* That any vessel so excluded may nevertheless be granted a license under the provisions of paragraphs (a), (b) and (c) of this section; and he may revoke any general license if he finds that continuance of the license in force would be inimical to such interests. For the purposes of this section, the Commandant, with the approval of the Secretary of the Treasury, may classify vessels upon any reasonable basis, including, but not limited to, control, ownership, use, area of operation, type, length, beam, draft, or tonnage.

Section 7 is amended to read as follows:

§ 6.7 *Clearance required for departure.* No vessel shall depart from any port or place in the United States, or from any port or place subject to the jurisdiction of the United States, on a voyage for which clearance by a customs officer of the United States is required or for which no such clearance is required because the vessel is exempted from making entry by section 441 (4) of the Tariff Act of 1930, 46 Stat. 712, as amended (U.S.C., Sup. V, title 19, sec. 1441 (4)), unless the principal customs officer in charge of the port of departure shall have been authorized by the Secretary of the Treasury to permit departure.

PART 7—ANCHORAGE AND MOVEMENTS OF VESSELS AND THE LADING AND DISCHARGING OF EXPLOSIVE OR INFLAMMABLE MATERIAL, OR OTHER DANGEROUS CARGO

Pursuant to the authority contained in section 1, Title II of the Act of June 15, 1917, 40 Stat. 220 (U.S.C. title 50, sec. 191), and a Proclamation issued June 27, 1940, the Rules and Regulations Governing the Anchorage and Movements of Vessels and the Lading and Discharging of Explosives or Inflammable Material, or Other Dangerous Cargo, approved October 29, 1940 (5 F.R. 4401), are hereby amended by the addition of a new paragraph to the regulations for anchorages in general under the General Rules and Regulations which is designated § 7.5 (b) (13) (designation is to numbering as it will appear in Code of Federal Regulations, title 33, chapter I, part 7; the new paragraph is added following paragraph 11 of part I under subdivision A of the aforementioned regulations as they appear in 5 F.R. 4401 and paragraph 12 added by the amendment approved June 17, 1941, 6 F.R. 2992), and which shall read as follows:

§ 7.5 *General rules and regulations.*

* * * * *

(b) (13) Whenever the captain of the port finds that the mooring of any vessel to a wharf, dock, pier, or other water front structure would endanger such vessel, or any other vessel, or the harbor, or would be inimical to the maritime interests of the United States, or the national defense, by reason of conditions existing on or about such wharf, dock, pier, or other water front structure, including, but not limited to, inadequate guard service, insufficient lighting, fire hazards, inadequate fire protection, unsafe machinery, internal disturbance, or unsatisfactory operation, the captain of the port may prevent the mooring of any vessel to such wharf, dock, pier, or other water front structure until the unsatisfactory condition or conditions so found are corrected, and he may, in the case of a like finding after any vessel has been moored, compel the shifting of such vessel from any such wharf, dock, pier, or other water front structure.

[SEAL] H. MORGENTHAU, JR.,
Secretary of the Treasury.

Approved:
FRANKLIN D ROOSEVELT
The White House, Oct. 7, 1941.

[F. R. Doc. 41-7677; Filed, October 13, 1941; 10:39 a. m.]

TITLE 36—PARKS AND FORESTS

CHAPTER I—NATIONAL PARK SERVICE

PART 20—SPECIAL REGULATIONS

OCMULGEE NATIONAL MONUMENT

Speed Regulation

Pursuant to the authority contained in the Act of August 25, 1916 (39 Stat. 535, 16 U.S.C. 3), and the Act of June 14, 1934 (48 Stat. 959, 16 U.S.C. 447c), the the following regulation is prescribed for Ocmulgee National Monument, to become effective immediately:

§ 20.39 *Ocmulgee National Monument, speed.* Speed of automobiles and other vehicles, except ambulances and Government cars on emergency trips, is limited to 25 miles per hour. (39 Stat. 535, 48 Stat. 959, 16 U.S.C. 3, 447c)

Approved: October 3, 1941.

[SEAL] JOHN J. DEMPSEY,
Under Secretary.

[F. R. Doc. 41-7643; Filed, October 11, 1941; 9:54 a. m.]

Notices

WAR DEPARTMENT.

[Contract No. W 535 ac-20270]

SUMMARY OF CONTRACT FOR SUPPLIES

CONTRACTOR: LINK AVIATION DEVICES, INC., BINGHAMTON, NEW YORK

Contract for: * * * Trainers, * * *.

Amount: $12,309,930.00.

Place: Matériel Division, Air Corps, U. S. Army, Wright Field, Dayton, Ohio.

The supplies and services to be obtained by this instrument are authorized by, are for the purpose set forth in, and are chargeable to Procurement Authorities AC 30 P85-30 A0705-12, and AC 818 P130-30 A0021-13, the available balance of which is sufficient to cover cost of same.

This contract,[1] entered into this second day of September, 1941.

Scope of this contract. The contractor shall furnish and deliver to the Government * * * Trainers, * * *, for the consideration stated twelve million, three hundred nine thousand, nine hundred thirty dollars ($12,309,930.00) in strict accordance with the specifications, schedules and drawings, all of which are made a part hereof.

Changes. Where the supplies to be furnished are to be specially manufactured in accordance with drawings and specifications, the contracting officer may at any time, by a written order, and without notice to the sureties, make changes in the drawings or specifications, except Federal Specifications. Changes as to shipment and packing of all supplies may also be made as above provided.

Delays—Damages. If the contractor refuses or fails to make deliveries of the materials or supplies within the time specified in Article 1, or any extension thereof, the Government may by written notice terminate the right of the contractor to proceed with deliveries or such part or parts thereof as to which there has been delay.

Payments. The contractor shall be paid, upon the submission of properly certified invoices or vouchers, the prices stipulated herein for articles delivered and accepted or services rendered, less deductions, if any, as herein provided. Unless otherwise specified, payments will be made on partial deliveries accepted by the Government when the amount due on such deliveries so warrants; or, when requested by the contractor, payments for accepted partial deliveries shall be made whenever such payments would equal or exceed either $1,000 or 50 percent of the total amount of the contract.

Advance payments. Advance payments may be made from time to time for the supplies called for, when the Secretary of War deems such action necessary in the interest of the national defense: *Provided, however,* That the

[1] Approved by the Under Secretary of War September 10, 1941.

total amount of money so advanced shall not exceed thirty (30) percentum of the contract price of the articles called for, and that such advances, if made shall be upon such terms and conditions and with such adequate security as the Secretary of War shall prescribe.

Termination when contractor not in default. If, in the opinion of the contracting officer upon the approval of the Secretary of War, the best interests of the Government so require, this contract may be terminated by the Government, even though the contractor be not in default, by a notice in writing relative thereto from the contracting officer to the contractor.

This contract authorized under the provisions of section 1 (a), Act of July 2, 1940 and section 9, Act of June 30, 1941.

FRANK W. BULLOCK,
Lieut. Col., Signal Corps,
Assistant to the Director of
Purchases and Contracts.

[F. R. Doc. 41-7642; Filed, October 11, 1941; 9:39 a. m.]

[Contract No. W 535 ac-20899]

SUMMARY OF CONTRACT FOR SUPPLIES

CONTRACTOR: THE LEECE-NEVILLE COMPANY, CLEVELAND, OHIO

Contract for: General Assemblies and Data.

Amount: $1,704,250.00.

Place: Materiel Division, Air Corps, U. S. Army, Wright Field, Dayton, Ohio.

The supplies and services to be obtained by this instrument are authorized by, are for the purpose set forth in, and are chargeable to the following Procurement Authorities, the available balances of which are sufficient to cover cost of same:

AC 34 P 12-30 A 0705-12
AC 28 P 82-30 A 0705-12
AC 26 P 81-30 A 0705-12
AC 299 P 112-30 A 0021-13

This contract,[1] entered into this 27th day of August, 1941.

Scope of this contract. The contractor shall furnish and deliver to the Government * * * Generator Assemblies and Data for the consideration stated one million seven hundred four thousand two hundred fifty dollars ($1,704,250.00) in strict accordance with the specifications, schedules and drawings, all of which are made a part hereof.

Changes. Where the supplies to be furnished are to be specially manufactured in accordance with drawings and specifications, the contracting officer may at any time, by a written order, and without notice to the sureties, make changes in the drawings or specifications, except Federal Specifications. Changes as to shipment and packing of all supplies may also be made as above provided.

Delays—Damages. If the contractor refuses or fails to make deliveries of the materials or supplies within the time specified in Article 1, or any extension thereof, the Government may by written notice terminate the right of the contractor to proceed with deliveries or such part or parts thereof as to which there has been delay.

Payments. The contractor shall be paid, upon the submission of properly certified invoices or vouchers, the prices stipulated herein for articles delivered and accepted or services rendered, less deductions, if any, as herein provided. Unless otherwise specified, payments will be made on partial deliveries accepted by the Government when the amount due on such deliveries so warrants; or, when requested by the contractor, payments for accepted partial deliveries shall be made whenever such payments would equal or exceed either $1,000 or 50 percent of the total amount of the contract.

Advance payments. Advance payments may be made from time to time for the supplies called for, when the Secretary of War deems such action necessary in the interest of the National Defense: *Provided, however,* That the total amount of money so advanced shall not exceed 30 per centum of the contract price of the articles called for, and that such advances, if made, shall be upon such terms and conditions and with such adequate security as the Secretary of War shall prescribe.

Options. The Government is granted the right and option at any time during the life of this contract to increase the quantity of generator assemblies called for under the terms of Article 16 of this contract to any quantity set forth herein, and in the event of the exercise of this option the unit price of each assembly furnished not exceeding the maximum quantity set forth herein shall be the unit price specified herein for the total quantity of assemblies to be purchased.

Termination when contractor not in default.—If, in the opinion of the contracting officer upon the approval of the Secretary of War, the best interests of the Government so require, this contract may be terminated by the Government, even though the contractor be not in default, by a notice in writing relative thereto from the contracting officer to the contractor.

This contract authorized under the provisions of section 1 (a), Act of July 2, 1940 as amended by section 9, Act of June 30, 1941.

FRANK W. BULLOCK,
Lieut. Col., Signal Corps,
Assistant to the Director of
Purchases and Contracts.

[F. R. Doc. 41-7641; Filed, October 11, 1941; 9:38 a. m.]

[Contract No. W 398 qm-11; O. I. No. 11]

SUMMARY OF CONTRACT FOR SUPPLIES

CONTRACTOR: ROGERS BROTHERS CORPORATION, ALBION, PA.

Contract for: Trailers, * * *

Amount: $1,425,695.00.

Place: Holabird Quartermaster Depot, Baltimore, Maryland.

This contract, entered into this 11th day of August, 1941.

Scope of this contract. The contractor shall furnish and deliver * * * Trailers Grand Total $1,425,695.00 in strict accordance with the specifications, schedules and drawings, all of which are made a part hereof.

Changes. Where the supplies to be furnished are to be specially manufactured in accordance with drawings and specifications, the contracting officer may at any time, by a written order, and without notice to the sureties, make changes in the drawings or specifications, except Federal Specifications. Changes as to shipment and packing of all supplies may also be made as above provided.

Delays-Damages. If the contractor refuses or fails to make deliveries of the materials or supplies within the time specified in Article 1, or any extension thereof, the Government may by written notice terminate the right of the contractor to proceed with deliveries or such part or parts thereof as to which there has been delay.

Payments. The contractor shall be paid, upon the submission of properly certified invoices or vouchers, the prices stipulated herein for articles delivered and accepted or services rendered, less deductions, if any, as herein provided. Unless otherwise specified, payments will be made on partial deliveries accepted by the Government when the amount due on such deliveries so warrants; or, when requested by the contractor, payments for accepted partial deliveries shall be made whenever such payments would equal or exceed either $1,000 or 50 percent of the total amount of the contract.

Variations. Quantities listed hereon are subject to increase (or decrease) of not to exceed * * *%. This option to remain in effect until * * *.

The supplies and services to be obtained by this instrument are authorized by, are for the purpose set forth in, and are chargeable to procurement authority QM-22000 P 243-30 A 0022-13 the available balance of which is sufficient to cover cost of same.

This contract authorized under section 1 (a), Act of July 2, 1940 (Public No. 703, 76th Congress).

FRANK W. BULLOCK,
Lieut. Col., Signal Corps,
Assistant to the Director of
Purchases and Contracts.

[F. R. Doc. 41-7640; Filed, October 11, 1941; 9:38 a. m.]

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[1] Approved by the Under Secretary of War Sept. 10, 1941.

[Contract No. W 535 ac-20284; 5333]

SUMMARY OF COST PLUS A FIXED FEE SUPPLY CONTRACT

CONTRACTOR: DOUGLAS AIRCRAFT COMPANY, INC., SANTA MONICA, CALIFORNIA

Contract for: * * * Airplanes, * * * Spare parts and data.

Estimated cost: $20,502,918.21.

Fixed-Fee: $1,230,175.10.

The supplies and services to be obtained by this instrument are authorized by, and for the purpose set forth in, and are chargeable to the following Procurement Authorities, the available balances of which are sufficient to cover the cost of the same:

AC 34 P 12-3037 A 0705-01
AC 28 P 82-3037 A 0705-01

This contract,[1] entered into this 26th day of August, 1941.

ARTICLE 1.—*Statement of work.* The Contractor shall, within the time specified in article 4 hereof, manufacture, furnish and deliver to the Government the following articles:

Item 1 * * * Airplanes, * * *

Item 2 * * * Spare parts and data

ART. 2.—*Estimated costs*

Quantity:	*Estimated cost*
* * * Airplanes * * *----------	$17,828,624.64
Spare Parts for Airplanes---	2,674,293.57
Data----------	No cost

ART. 3.—*Consideration.* The Government will pay the Contractor upon satisfactory delivery of all items specified in this contract, subject to reimbursements for cost, as outlined in Article six (6) hereof, the cost, plus a fixed-fee of one million two hundred thirty thousand one hundred seventy-five and 10/100 Dollars, ($1,230,175.10).

ART. 5.—*Changes.* The Contracting Officer may, at any time, by a written order, make changes in or additions to the drawings and specifications, issue additional instructions, require additional work, or direct the omission of work covered by the contract.

ART. 6.—*Payments*—(a) *Reimbursement for cost.* The Government will currently reimburse the Contractor for such expenditures made in accordance with Article 3 as may be approved or ratified and upon certification to and verification by the Contracting Officer of the original signed payrolls for labor, the original paid invoices for materials or other original papers.

(b) *Payment of the fixed fee.* Ninety per cent (90) of the fixed fee set forth in paragraph (a) of Article 3 hereof, shall be paid as it accrues, in monthly installments. Upon completion of the work and its final acceptance, any unpaid balance of the fee, including the additions thereto, if any, to which the Contractor may be entitled, as provided in said paragraph (a) of Article 3 shall be paid to the Contractor.

[1] Approved by the Under Secretary of War September 6, 1941.

(c) *Advances.* The Government, as requested by the Contractor from time to time, shall make advance payments to the Contractor, without payment of interest thereon by the Contractor, of such sums as may be requested by the Contractor and approved by the Contracting Officer, the aggregate of which shall not exceed thirty per centum (30%) of the estimated cost of the work under this contract. Such advances shall be made upon such terms and conditions and with such security as the Secretary of the War shall prescribe.

ART. 9.—*Termination of contract by Government.* Should the Contractor at any time refuse, neglect, or fail to prosecute the work with promptness and diligence, or default in the performance of any of the agreements herein contained, or should conditions arise which make it advisable or necessary in the interest of the Government that work be discontinued under this contract, the Government may terminate this contract by a notice in writing from the Contracting Officer to the Contractor.

ART. 22.—*Title to property.*—The title to all work under this contract, completed or in the course of manufacture or assembly at the Contractor's plant, shall be in the Government. Upon deliveries at the Contractor's plant, or at an approved storage site, title to all purchased materials, parts, assemblies, sub-assemblies, tools, machinery, equipment and supplies, for which the Contractor shall be entitled to be reimbursed hereunder shall vest in the Government.

ART. 24.—*Fire insurance.* The Contractor agrees unless and until otherwise directed in writing by the Contracting Officer to insure against fire all property in its possession upon which an advance payment or a payment in reimbursement for cost is about to be made, such insurance to be in a sum at least equal to the amount of such payment plus all other advance payment or payments in reimbursements for cost, if any, theretofore made thereon, and further agrees to keep such property so insured until the same is delivered to the Government.

This contract authorized under the provisions of section 1 (a), Act of July 2, 1940, and section 9, Act of June 30, 1941.

FRANK W. BULLOCK,
Lieut. Col., Signal Corps,
Assistant to the Director of
Purchases and Contracts.

[F. R. Doc. 41-7639; Filed, October 11, 1941; 9:37 a. m.]

[Contract No. W 535 ac-20223; 5273]

SUMMARY OF CONTRACT FOR SUPPLIES

CONTRACTOR: IRVING AIR CHUTE COMPANY, INC., 1670 JEFFERSON AVENUE, BUFFALO, NEW YORK

Contract for: Parachutes and Parachute Equipment.

Amount: $1,373,250.00.

Place: Matériel Division, Air Corps, U. S. Army, Wright Field, Dayton, Ohio.

The supplies and services to be obtained by this instrument are authorized by, are for the purpose set forth in, and are chargeable to Procurement Authority AC 30 P 85-30 A 0705-12, the available balance of which is sufficient to cover cost of same.

This contract,[1] entered into this 29th day of July, 1941.

Scope of this contract. The contractor shall furnish and deliver to the Government * * * Parachutes and Parachute Equipment for the consideration stated one million three hundred seventy-three thousand two hundred fifty dollars ($1,373,250.00) in strict accordance with the specifications, schedules and drawings, all of which are made a part hereof.

Changes. Where the supplies to be furnished are to be specially manufactured in accordance with drawings and specifications, the contracting officer may at any time, by a written order, and without notice to the sureties, make changes in the drawings or specifications, except Federal Specifications. Changes as to shipment and packing of all supplies may also be made as above provided.

Delays-Damages. If the contractor refuses or fails to make deliveries of the materials or supplies within the time specified in Article 1, or any extension thereof, the Government may by written notice terminate the right of the contractor to proceed with deliveries or such part or parts thereof as to which there has been delay.

Payments. The contractor shall be paid, upon the submission of properly certified invoices or vouchers, the prices stipulated herein for articles delivered and accepted or services rendered, less deductions, if any, as herein provided. Unless otherwise specified, payments will be made on partial deliveries accepted by the Government when the amount due on such deliveries so warrants; or, when requested by the contractor, payments for accepted partial deliveries shall be made whenever such payments would equal or exceed either $1,000 or 50 percent of the total amount of the contract.

Option. The Government is granted the right and option at any time within * * * days from and after date of approval of this contract to increase the quantity or quantities of the supplies called for herein at not more than the unit prices stated, by any amount that would not exceed * * * percent of the entire contract price stipulated, said increase to be applied as to all or any item or items at the option of the Government.

Termination when contractor not in default. If, in the opinion of the contracting officer upon the approval of the Secretary of War, the best interests of the Government so require, this contract may be terminated by the Government, even though the contractor be not in default, by a notice in writing relative

thereto from the contracting officer to the contractor.

This contract authorized under the provisions of section 1 (a), Act of July 2, 1940 and section 9, Act of June 30, 1941.

FRANK W. BULLOCK,
Lieut. Col., Signal Corps,
Assistant to the Director of Purchases and Contracts.

[F. R. Doc. 41-7638; Filed, October 11, 1941; 9:37 a. m.]

[Contract No. W-ORD-539]

SUMMARY OF COST-PLUS-A-FIXED-FEE NEW ORDNANCE FACILITY CONSTRUCTION AND OPERATION CONTRACT

CONTRACTOR: THE MILITARY CHEMICAL WORKS, INC., KANSAS CITY, MISSOURI

Contract for: Furnishing management service (including subcontracts for architect-engineer services and construction of a new ordnance facility and installation of equipment therein), procuring production equipment, training key personnel for and operating a new ordnance facility for the manufacture of anhydrous ammonia, or ammonium nitrate.

Place: Vicinity of Baxter Springs, Kansas.

Estimated Cost of management service including cost of architect-engineer and construction subcontracts) under Title I: $10,150,600.00.

Fixed-Fee for management service under Title I: $45,000.00.

Estimated Cost of procuring equipment under Title II: $6,458,100.00.

Fixed-Fee for procuring equipment under Title II: $55,000.00.

Estimated Cost of Training Key Personnel under Title III (Optional): $50,000.00.

Fixed-Fee for Training Key Personnel under Title III: $1.00.

Estimated Cost of operation under Title IV (Optional): $1,920,000.00.

Fixed-Fee for operation under Title IV: $ * * * per ton.

The new ordnance facility, services and supplies to be obtained by this instrument are authorized by, are for the purposes set forth in, and are chargeable to the following procurement authorities, the available balances of which are sufficient to cover the cost of the same:

ORD 51229	P531-32	A-0025-13
ORD 27071	P2-99	A-0141-02
ORD 27072	P2-99	A-0141-02

This contract,[1] entered into this 10th day of September 1941.

TITLE I—*Management Service*

ARTICLE I-A.—*Description of new ordnance facility.* 1. The new ordnance facility, hereinafter referred to as the "Plant", and designated as Jayhawk Ordnance Works, shall comprise a plant near Baxter Springs, Kansas, upon a site to be furnished and made available by the Government, for the manufacture of * * * tons of anhydrous ammonia or * * * tons of ammonium nitrate per day of 24 hours.

2. Said Plant shall consist of the necessary buildings and structures, together with necessary utilities and appurtenances thereto, and all equipment necessary or appropriate in and about a plant for the manufacture of ammonium nitrate of the capacity above stated, all of which is more particularly described in Appendix A which is attached hereto and specifically made a part hereof.

ART. I-B.—*Statement of work.* 1. The Contractor shall, in the shortest reasonable time, furnish the labor, materials, tools, machinery, equipment, facilities, utilities, supplies not furnished by the Government, and services, and do all things necessary for the completion of a Plant of the type and capacity described in Article I-A hereof.

2. In the performance of the work described in section 1 of this Article I-B, the Contractor shall:

a. Furnish management service covering supervision, direction and control of the designing (including designing of the production equipment), engineering and construction (including the installation of the production equipment) of the Plant, and subject to the approval of the Contracting Officer, establish, equip and maintain adequate guard and fire fighting forces.

b. Subcontract, on forms prescribed by The Quartermaster General, for Architect-Engineer services covering design (including necessary design of production equipment) and engineering and subcontract for the construction (including the installation of production equipment) of the Plant, with subcontractors selected by The Quartermaster General and approved by the Contractor.

4. The Government shall furnish the Contractor such available schedules of preliminary data, layout sketches, and other available information respecting sites, topography, soil conditions, outside utilities and equipment, and shall make available to the Contractor such Government designs, drawings, specifications, details, standards and safety practices as are on hand in the offices of the Chief of Ordnance and The Quartermaster General and are applicable to the design, construction, and equipping of the said Plant.

5. All of the Contractor's notes and other data concerning the design, construction and equipping of the Plant shall become the property of the Government.

ART. I-C.—*Estimates.* It is estimated that the total cost of the work under this Title I will be approximately ten million one hundred fifty thousand six hundred dollars ($10,150,600.00), including the cost of all subcontracts but excluding the Contractor's fee and the procurement of production equipment provided for in Title II hereof.

ART. I-D.—*Consideration.* As consideration for its undertaking under this Title I the Contractor shall receive the following:

1. Reimbursement for expenditures as provided in Title V.

2. A fixed-fee in the amount of forty five thousand dollars ($45,000.00) which shall constitute complete compensation for the Contractor's services, including profit.

TITLE II—*Procurement of Production Equipment*

ART. II-A.—*Statement of work.* The Contractor shall, in the shortest reasonable time, determine the production equipment requirements for the Plant and shall, subject to the approval of the Contracting Officer, thereupon proceed to do all things necessary and incident to the procurement of the production equipment required, by subcontract or otherwise.

ART. II-B.—*Estimates.* It is estimated that the total cost under this Title II will be approximately six million four hundred fifty-eight thousand one hundred dollars ($6,458,100.00) exclusive of the Contractor's fee.

ART. II-C.—*Consideration.* As consideration for its undertaking under this Title II the Contractor shall receive the following:

1. Reimbursement for expenditures as provided in Title V.

2. A fixed-fee in the amount of fifty-five thousand dollars ($55,000.00), which shall constitute complete compensation for the Contractor's services.

TITLE III—*Training of Key Personnel (Optional)*

ART. III-A.—*Statement of work.* The obligation of the Contractor to proceed with the work under this Title III shall be conditioned upon receipt by the Contractor of notice in writing from the Contracting Officer so to do. Upon receipt by the Contractor of such notice, the Contractor shall hire or select the key personnel necessary for the operation of the Plant, and when such personnel is available shall proceed to train such personnel by subcontract or otherwise, in the duties and functions of their respective positions, at the Contractor's plants, at Ordnance establishments, or elsewhere, in order that they will have obtained experience with the processes and operations involved in the Plant at any time when the Government shall exercise its option under section 1 of Article IV-A of Title IV.

ART. III-B.—*Estimate.* It is estimated that the cost of the work under this Title III will be approximately fifty thousand dollars ($50,000.00), exclusive of the Contractor's fee.

ART. III-C.—*Consideration.* As consideration for its undertaking under this Title III the Contractor shall receive the following:

1. Reimbursement for expenditures as provided in Title V.

2. A fixed-fee of one dollar ($1.00) which shall constitute complete com-

[1] Approved by the Under Secretary of War Sept. 18, 1941

pensation for the Contractor's services under this Title III, including profit.

TITLE IV—*Operation of Plant (Optional)*

ART. IV–A.—*Statement of work.* 1. The obligation of the Contractor to proceed with the work under this Title IV shall be conditioned upon receipt by the Contractor within * * * months after the date of approval of this contract of the notice provided for in section 1 of Article III–A of Title III hereof and receipt by the Contractor of notice in writing from the Contracting Officer so to do. Immediately upon receipt by the Contractor of such last mentioned notice, and concurrently with the performance of the work required of it under Titles I, II and III hereof, the Contractor shall undertake all preparations necessary for the subsequent operation of the Plant, including the necessary training of personnel for such operation in addition to the key personnel trained pursuant to Title III hereof, and all other services incident to setting up an efficient and going operating force.

2. As each operating unit of the Plant is completed and ready for operation and the necessary preparation for operation and training of personnel has proceeded to a point where operation is practicable the Contractor shall so notify the Contracting Officer in writing and shall proceed to operate it as directed from time to time by the Contracting Officer.

3. Notwithstanding the fact that the construction and equipping of the Plant as a whole shall not have been completed, when all operating units thereof are completed and ready for operation, the Contractor shall so notify the Contracting Officer in writing, and from and after the date of said notice the Contractor shall operate said Plant for the manufacture of * * * tons of ammonium nitrate which it is estimated will require * * * months after the commencement of operation of the Plant.

4. Upon written notice to the Contractor not less than * * * days before the anticipated completion of the operation provided for in section 3 next above, the Government may, at its option, authorize the continued operation of the Plant for the manufacture of such additional ammonium nitrate as the Government may desire within the capacity of the Plant for an additional period of * * * months and the Contractor shall undertake such continued operations under the terms and conditions of this contract applicable to the operation of the Plant (including those relating to the fixed-fee for such additional operation, which fee shall be that provided in section 3 of Article IV–C, hereof).

ART. IV–B—*Estimates.* It is estimated that the cost of the work under this Title IV will be one million nine hundred twenty thousand dollars ($1,920,000.00), exclusive of the cost of continued operation covered by the option therefor provided in section 4 of Article IV-A hereof, and exclusive of the Contractor's fee.

ART. IV–C—*Consideration.* As consideration for its undertaking under this Title IV the Contractor shall receive the following:

1. Reimbursement for expenditures as provided in Title V hereof.

2. A fixed-fee for the work under section 3 of Article IV–A of this Title IV of * * * per ton on the initial quantity of ammonium nitrate produced hereunder and accepted by the Government; which fee shall constitute complete compensation (except for continued operation) for Contractor's services.

TITLE V—*Cost of the Work and Payment Therefor.*

ART. V–A—*Reimbursement for contractor's expenditures.* The Contractor shall be reimbursed in the manner hereinafter described for such of its actual expenditures in the performance of the work under this contract, as may be approved or ratified by the Contracting Officer.

ART. V–B.—*Payments—Reimbursement for cost.* 1. a. The Government will currently reimburse the Contractor for expenditures made in accordance with Article V–A of this Title V, upon certification and delivery to and verification by the Contracting Officer of the original signed pay rolls for labor, receipted invoices for materials, equipment, etc., or other evidence satisfactory to the Contracting Officer. Reimbursement will be made as promptly as possible, generally weekly, but may be made at more frequent intervals if the conditions so warrant. All payments made under this paragraph a of section 1 shall be subject to the provisions of Article V–C.

Payment of the fixed-fees. 2. a. The fixed-fee provided for in Article I–D of Title I shall be paid in partial payments, less ten percent (10%) of each such partial payment, as it accrues.

b. The fixed-fee provided for in Article II–C of Title II shall be paid in partial payments, less ten percent (10%) of each such partial payment, as it accrues.

c. The fixed-fee of one dollar ($1.00) provided for in Article III–C shall be paid upon the completion of the work provided therein.

d. Ninety percent (90%) of the fixed-fee provided for in Article IV–C of Title IV shall be paid promptly after the close of the calendar month in which such finished product is inspected and accepted.

Final payment. 4. Upon completion of the work under Titles I and II and its final acceptance in writing by the Contracting Officer, and again upon the completion of the work under Title IV, the Government shall pay to the Contractor the unpaid balance of the cost of the work determined under Title V hereof, and of the fees.

ART. V–C.—*Advances.* At any time, and from time to time, after the execution of this contract, the Government, at the request of the Contractor, and subject to the approval of the Chief of Ordnance as to the necessity therefor, shall advance to the Contractor without payment of interest thereon by the Contractor, a sum or sums not in excess of thirty percent (30%) of the estimated cost of the work under this contract (as increased or decreased pursuant to the provisions of Article VII–B of Title VII or as increased pursuant to the provisions of Article IV–A of Title IV).

TITLE VI—*Termination*

ART. VI–A.—*Termination by Government.* The Government may terminate this contract at any time by a notice in writing from the Contracting Officer to the Contractor.

ART. VI–B.—*Disposition of plant.* 2. At any time within five years after the completion of the entire Plant, and its acceptance by the Government, whichever is last in point of time, the Contractor shall have the right and option, to be exercised by written notice from the Contractor to the Contracting Officer, to purchase the Plant (including land and easements acquired in connection therewith) at a price equal to the total cost of said Plant (including the cost of acquiring the land and easements but not including the fixed-fee paid to the Contractor under Articles I–D and II–C hereof) to the Government, less an amount representing depreciation, obsolescence, and loss of value due to use for National Defense purposes of said Plant; *Provided, however,* That such right shall not be exercised so long as the Plant is being used by the Government for the purposes of the National Defense.

6. In the event that the Contractor shall purchase the Plant under the terms of this Article VI–B, the Contractor agrees that so long as and to the extent that it owns and operates said Plant for the manufacture of ammonia or ammonium nitrate it will make such Plant available under the Contractor's management for the Government during any emergency that may arise.

TITLE VII—*General*

ART. VII–B.—*Changes.* The Contracting Officer may at any time after consultation with the Contractor, by a written order and without notice to the sureties, make changes in or additions to the drawings and specifications, issue additional instructions, require additional work, or direct the omission of work covered by the contract.

ART. VII–C.—*Title.* The title to all work, completed or in the course of construction, preparation or manufacture shall be in the Government. Likewise, upon delivery at the site of the work, at an approved storage site or other place approved by the Contracting Officer and upon inspection and acceptance in writing by the Contracting Officer, title to all materials, tools, machinery, equipment and supplies, for which the Contractor shall be entitled to be reimbursed under Title V hereof shall vest in the Government.

ART. VII–F.—*Special requirements.* The Contractor hereby agrees that it will: Procure and thereafter maintain such bonds and insurance in such forms and in such amounts and for such periods of time as the Contracting Officer may approve or require in writing.

This contract is authorized by the following laws: The Act of July 2, 1940 (Public No. 703, 76th Congress) and the Act of June 30, 1941 (Public No. 139, 77th Congress).

FRANK W. BULLOCK,
Lieut. Col., Signal Corps,
Assistant to the Director of
Purchases and Contracts.

[F. R. Doc. 41–7637; Filed, October 11, 1941; 9:36 a. m.]

DEPARTMENT OF THE INTERIOR.

Bituminous Coal Division.

[Docket No. B–15]

IN THE MATTER OF THE OAKLAND COAL COMPANY, REGISTERED DISTRIBUTOR, REGISTRATION NO. 6934, RESPONDENT

NOTICE OF AND ORDER FOR HEARING

(1) The Bituminous Coal Division finds it necessary, in the proper administration of the Bituminous Coal Act of 1937 (the "Act"), to determine

(a) whether or not the Oakland Coal Company, Registered Distributor, Registration No. 6934, the respondent in the above-entitled matter, whose address is Security Bank Building, Toledo, Ohio, has violated any provisions of the Act, the Code, the Marketing Rules and Regulations, Rules and Regulations for Registration of Distributors, and the Distributor's Agreement (the "Agreement"), dated June 20, 1939, executed by the respondent pursuant to Order of the National Bituminous Coal Commission dated March 24, 1939, in General Docket No. 12, which was adopted as an Order of the Bituminous Coal Division on July 1, 1939, or any orders or regulations of the Division; and

(b) whether or not the registration of said distributor should be revoked or suspended or other appropriate penalties should be imposed; and for said purposes gives notice that it has information to the effect that:

(2) The respondent, during the period October 1, 1940 to March 11, 1941, both dates inclusive, purchased approximately 3252 tons of various sizes of coal from code members and secured, accepted and retained distributor's discounts from the effective minimum prices of said coal. This coal was resold by the respondent to the Gallant Lumber and Coal Company, of Toledo, Ohio, a retailer.

(3) The respondent, during the period referred to in (2) hereof, (a) owned 32 percent of the outstanding shares of capital stock of said retailer, (b) had interlocking officers with said retailer, and (c) its officers were also shareholders of said retailer.

(4) In securing, accepting and retaining the distributor's discounts referred to in paragraph 2 hereof, the respondent was in violation of paragraph (d) of the Agreement, since said transactions were not purchases of coal for bona fide resale.

(5) In securing, accepting and retaining the distributor's discounts referred to in paragraph (2) hereof, the respondent was in violation of paragraph (g) of the Agreement, since said transactions were entered into between the distributor and his vendee primarily for the purpose of unjustly enriching the respondent and no service of value was rendered by the respondent to the code member vendors.

It is therefore ordered, That a hearing pursuant to § 304.14 of the Rules and Regulations for the Registration of Distributors, to determine whether the registration of said distributor should be revoked or suspended, or other appropriate penalties be imposed, be held on November 17, 1941, 10 a. m. at a hearing room of the Bituminous Coal Division at the Commodore Perry Hotel, Toledo, Ohio.

It is further ordered, That W. A. Cuff or any other officer or officers of the Bituminous Coal Division designated by the Director thereof for that purpose shall preside at the hearing in such matter. The officer so designated to preside at such hearing is hereby authorized to conduct said hearing, to administer oaths and affirmations, examine witnesses, subpoena witnesses, compel their attendance, take evidence, require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, to continue said hearing from time to time, and to such places as he may direct by announcement at said hearing or any adjourned hearing or by subsequent notice, and to prepare and submit to the Director proposed findings of fact and conclusions and the recommendation of an appropriate order in the premises, and to perform all other duties in connection therewith authorized by law.

Notice of such hearing is hereby given to said respondent and to all other parties herein and to all persons and entities having an interest in such proceeding.

Notice is hereby given that answer to charges contained herein must be filed with the Bituminous Coal Division at its Washington Office or with any one of the field offices of the Division, within twenty (20) days after date of service thereof on the respondent; and that any respondent failing to file an answer within such period, unless the Director or the presiding officer shall otherwise order, shall be deemed to have admitted said charges and to have consented to the entry of an appropriate order on the basis of the facts alleged.

All persons are hereby notified that the hearing in the above-entitled matter and orders entered therein may concern, in addition to the matters specifically alleged herein, other matters incidental and related thereto, whether raised by amendment, petition for intervention, or otherwise, and all persons are cautioned to be guided accordingly.

Dated: October 9, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41–7656; Filed, October 13, 1941; 10:04 a. m.]

[Docket No. B–33]

IN THE MATTER OF T. E. HARRIS, CODE MEMBER, DEFENDANT

NOTICE OF AND ORDER FOR HEARING

A complaint dated September 13, 1941, pursuant to the provisions of sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937, having been duly filed on September 15, 1941, by Bituminous Coal Producers Board for District 8, a District Board, complainant, with the Bituminous Coal Division alleging willful violation by the defendant of the Bituminous Coal Code or rules and regulations thereunder;

It is ordered, That a hearing in respect to the subject matter of such complaint be held on November 15, 1941, at 10 a. m., at a hearing room of the Bituminous Coal Division at the Court Room, Federal Building, Catlettsburg, Kentucky.

It is further ordered, That Charles S. Mitchell or any other officer or officers of the Bituminous Coal Division designated by the Director thereof for that purpose shall preside at the hearing in such matter. The officer so designated to preside at such hearing is hereby authorized to conduct said hearing, to administer oaths and affirmations, examine witnesses, subpena witnesses, compel their attendance, take evidence, require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, to continue said hearing from time to time, and to such places as he may direct by announcement at said hearing or any adjourned hearing or by subsequent notice, and to prepare and submit to the Director proposed findings of fact and conclusions and the recommendation of an appropriate order in the premises, and to perform all other duties in connection therewith authorized by law.

Notice of such hearing is hereby given to said defendant and to all other parties herein and to all persons and entities having an interest in such proceeding. Any person or entity eligible under § 301.123 of the Rules and Regulations Governing Practice and Procedure Before the Bituminous Coal Division in Proceedings Instituted Pursuant to sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937, may file a petition for intervention not later than five (5) days before the date herein set for hearing on the complaint.

Notice is hereby given that answer to the complaint must be filed with the Bituminous Coal Division at its Washington office or with any one of the

statistical bureaus of the Division, within twenty (20) days after date of service thereof on the defendant; and that any defendant failing to file an answer within such period, unless the Director or the presiding officer shall otherwise order, shall be deemed to have admitted the allegations of the complaint herein and to have consented to the entry of an appropriate order on the basis of the facts alleged.

All persons are hereby notified that the hearing in the above-entitled matter and orders entered therein may concern, in addition to the matters specifically alleged in the complaint herein, other matters incidental and related thereto, whether raised by amendment of the complaint, petition for intervention, or otherwise, and all persons are cautioned to be guided accordingly.

The matter concerned herewith is in regard to the complaint filed by said complainant, alleging willful violation by the above-named defendant of the Bituminous Coal Code or rules and regulations thereunder as follows:

By selling and delivering to Samson Hart, Corbin, Kentucky, during April 1941, approximately 35 tons of high volatile 2'' and under slack coal, Size Group No. 7, produced at his Needmore Mine, Mine Index No. 1850, located in Whitley County, Kentucky, in District No. 8, at a price of 30¢ per net ton f. o. b. the mine, whereas the minimum price established for such coal was and is $1.45 per net ton f. o. b. the mine, as contained in the Schedule of Effective Minimum Prices for District No. 8 for Truck Shipments.

Dated: October 9, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41–7657; Filed, October 13, 1941; 10:04 a. m.]

[Docket No. 1852–FD]

IN THE MATTER OF ROBERT L. SCOTT, TRADING AS ROBERT L. SCOTT COAL COMPANY, CODE MEMBER, DEFENDANT

NOTICE OF AND ORDER FOR HEARING

A complaint dated August 5, 1941, pursuant to the provisions of sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937, having been duly filed on August 7, 1941, by Bituminous Coal Producers Board for District No. 15, a District Board, complainant, with the Bituminous Coal Division, alleging wilful violation by the defendant of the Bituminous Coal Code or rules and regulations thereunder;

It is ordered, That a hearing in respect to the subject matter of such complaint be held on November 24, 1941, at 10 a. m. at a hearing room of the Bituminous Coal Division at the Craig County Court, Vinita, Oklahoma.

It is further ordered, That Joseph D. Dermody or any other officer or officers of the Bituminous Coal Division designated by the Director thereof for that purpose, shall preside at the hearing in such matter. The officer so designated to preside at such hearing is hereby authorized to conduct said hearing, to administer oaths and affirmations, examine witnesses, subpoena witnesses, compel their attendance, take evidence, require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, to continue said hearing from time to time, and to such places as he may direct by announcement at said hearing or any adjourned hearing or by subsequent notice, and to prepare and submit to the Director proposed findings of fact and conclusions and the recommendation of an appropriate order in the premises, and to perform all other duties in connection therewith authorized by law.

Notice of such hearing is hereby given to said defendant and to all other parties herein and to all persons and entities having an interest in such proceeding. Any person or entity eligible under Section 301.123 of the Rules and Regulations Governing Practice and Procedure Before the Bituminous Coal Division in Proceedings Instituted Pursuant to sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937, may file a petition for intervention not later than five (5) days before the date herein set for hearing on the complaint.

Notice is hereby given that answer to the complaint must be filed with the Bituminous Coal Division at its Washington Office or with any one of the statistical bureaus of the Division, within twenty (20) days after date of service thereof on the defendant; and that any defendant failing to file an answer within such period, unless the Director or the presiding officer shall otherwise order, shall be deemed to have admitted the allegations of the complaint herein and to have consented to the entry of an appropriate order on the basis of the facts alleged.

All persons are hereby notified that the hearing in the above entitled matter and orders entered therein may concern, in addition to the matters specifically alleged in the complaint herein, other matters incidental and related thereto, whether raised by amendment of the complaint, petition for intervention, or otherwise, and all persons are cautioned to be guided accordingly.

The matter concerned herewith is in regard to the complaint filed by said complainant, alleging willful violation by the above-named defendant of the Bituminous Coal Code or rules and regulations thereunder as follows:

That the defendant, Robert L. Scott, trading as Robert L. Scott Coal Company, 108 North First Street, Vinita, Oklahoma, subsequent to September 30, 1940 sold approximately 200 tons of lump coal, Size Group No. 1, produced at the Robert L. Scott Mine (Mine Index No. 946) located in Craig County, Oklahoma, District No. 15, to the Board of Education at Vinita, Oklahoma, at a truck-delivered price of $3.50 per ton, whereas the effective minimum price for such coal was $3.30 per ton f. o. b. the mine. The sales and deliveries hereinabove described were at prices less than the effective minimum prices for said coal f. o. b. the mine plus amounts at least equal to the actual transportation charges and other incidental handling charges from the transportation facilities at the Robert L. Scott mine to the point from which all such charges were assumed and paid by the purchaser as set forth in the Schedule of Effective Minimum Prices for District No. 15 for Truck Shipment and Price Instruction No. 5, as amended and contained in said Schedule, and in violation of sections 4 II (e) and 4 II (g) of the Act and sections II (e) and II (g) of the Code.

Dated: October 9, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41–7658; Filed, October 13, 1941; 10:04 a. m.]

[Docket No. B–6]

IN THE MATTER OF THE CLYDE H. HOYT COMPANY, REGISTERED DISTRIBUTOR, REGISTRATION NO. 4566, RESPONDENT

NOTICE OF AND ORDER FOR HEARING

1. The Bituminous Coal Division finds it necessary in the proper administration of the Bituminous Coal Act of 1937 (the "Act"), to determine

(a) whether or not The Clyde H. Hoyt Company, Registered Distributor, Registration No. 4566, the respondent in the above-entitled matter, whose address is Nicholas Building, Toledo, Ohio, has violated any provisions of the Act, the Code, the Marketing Rules and Regulations, Rules and Regulations for the Registration of Distributors and the Distributors' Agreement (the "Agreement") dated April 29, 1939, executed by respondent pursuant to Order of the National Bituminous Coal Commission dated March 24, 1939, in General Docket No. 12, which was adopted as an Order of the Bituminous Coal Division on July 1, 1939, or any orders or regulations of the Division; and

(b) whether or not the registration of said distributor should be revoked or suspended or other appropriate penalties should be imposed;

and for said purposes gives notice that it has information to the effect that:

2. The respondent, during the period October 1, 1940 to March 20, 1941, both dates inclusive, purchased approximately 10,738 tons of various sizes of coal from code members and secured, accepted and retained distributor's discounts from the effective minimum prices of said coal. This coal was resold by the respondent to the Blue Line Fuel Company of Toledo, Ohio, a retailer.

3. The respondent, during the period referred to in paragraph 2 hereof (a) owned 50 percent of the outstanding shares of capital stock, (b) had interlocking officers with said retailer and

(c) its officers were also shareholders of said retailer.

4. In securing, accepting and retaining the distributor's discounts referred to in paragraph 2 hereof, the respondent was in violation of paragraph (d) of the Agreement, since said transactions were not purchases of coal for bona fide resale.

5. In accepting and retaining the distributor's discounts referred to in paragraph 2 hereof, the respondent violated paragraph (g) of the Agreement, since such transactions were entered into between the distributor and his vendee primarily for the purpose of unjustly enriching the respondent, and no service of value was rendered the code member vendors by the respondent.

It is therefore ordered, That a hearing pursuant to § 304.14 of the Rules and Regulations for the Registration of Distributors, to determine whether the registration of said distributor should be revoked or suspended, or other appropriate penalties be imposed, be held on November 22, 1941, at 10 a. m. at a hearing room of the Bituminous Coal Division at the Commodore Perry Hotel, Toledo, Ohio.

It is further ordered, That W. A. Cuff or any other officer or officers of the Bituminous Coal Division designated by the Director thereof for that purpose shall preside at the hearing in such matter. The officer so designated to preside at such hearing is hereby authorized to conduct said hearing, to administer oaths and affirmations, examine witnesses, subpoena witnesses, compel their atendance, take evidence, require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, to continue said hearing from time to time, and to such places as he may direct by announcement at said hearing or any adjourned hearing or by subsequent notice, and to prepare and submit to the Director proposed findings of fact and conclusions and the recommendation of an appropriate order in the premises, and to perform all other duties in connection therewith authorized by law.

Notice of such hearing is hereby given to said respondent and to all other parties herein and to all persons and entities having an interest in such proceeding.

Notice is hereby given that answer to charges contained herein must be filed with the Bituminous Coal Division at its Washington Office or with any one of the field offices of the Division, within twenty (20) days after date of service thereof on the respondent; and that any respondent failing to file an answer within such period, unless the Director or the presiding officer shall otherwise order, shall be deemed to have admitted said charges and to have consented to the entry of an appropriate order on the basis of the facts alleged.

All persons are hereby notified that the hearing in the above-entitled matter and orders entered therein may concern, in addition to the matters specifically alleged herein, other matters incidental and related thereto, whether raised by amendment, petition for intervention or otherwise, and all persons are cautioned to be guided accordingly.

Dated: October 9, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41-7659; Filed, October 13, 1941; 10:05 a. m.]

[Docket No. B-7]

IN THE MATTER OF J. F. MARLOWE & CO., REGISTERED DISTRIBUTOR, REGISTRATION NO. 5972, RESPONDENT

NOTICE OF AND ORDER FOR HEARING

1. The Bituminous Coal Division finds it necessary, in the proper administration of the Bituminous Coal Act of 1937 (the "Act"), to detemine

(a) Whether or not J. F. Marlowe & Co., Registered Distributor, Registration No. 5972, the respondent in the above-entitled matter, whose address is 645 Dudley Street, Memphis, Tennessee, has violated any provisions of the Act, the Code, the Marketing Rules and Regulations, Rules and Regulations for the Registration of Distributors, and the Distributor's Agreement (the "Agreement") dated October 23, 1939, executed by the respondent pursuant to Order of the National Bituminous Coal Commission dated March 24, 1939, in General Docket No. 12, which was adopted as an Order of the Bituminous Coal Division on July 1, 1939, or any orders or regulations of the Division; and

(b) Whether or not the registration of said distributor should be revoked or suspended or other appropriate penalties should be imposed;

and for said purposes gives notice that it has information to the effect that:

2. The respondent, during the months of October and November, 1940, purchased approximately 23 cars of various sizes of coal produced by the Carrs Fork Coal Company, Hazard, Kentucky, Mine Index No. 10, a code member in District No. 8, Ayshire Patoka Coal Company, Posey, Indiana, Mine Index No. 121, a code member in District No. 11, Greenville Coal Company, Greenville, Kentucky, Mine Index No. 55, the Shearn Coal Company, 1005 Cotton Belt Building, St. Louis, Missouri, and Beach Creek Coal Company, Beach Creek, Kentucky, code members in District No. 9.

3. The respondent secured, accepted and retained distributor's discounts from the effective minimum prices of said coal. This coal was resold by the respondent to the Chickasaw Coal Company, of Memphis, Tennessee, a retailer.

4. The respondent, during the period referred to in paragraph 2 hereof, owned or controlled a majority of the outstanding shares of capital stock of said retailer.

5. In securing, accepting and retaining the distributor's discounts referred to in paragraphs 3 hereof, the respondent was in violation of paragraph (d) of the Agreement, since said transactions were not purchases of coal for bona fide resale.

6. In securing, accepting and retaining the distributor's discounts referred to in paragraph 3 hereof, the respondent, was in violation of paragraph (g) of the Agreement, since said transactions were entered into between the distributor and its vendee primarily for the purpose of unjustly enriching the respondent and no service of value was rendered to the code member vendors by the respondent.

It is therefore ordered, That a hearing pursuant to § 304.14 of the Rules and Regulations for the Registration of Distributors, to determine whether the registration of said distributor should be revoked or suspended, or other appropriate penalties be imposed, be held on November 28, 1941, at 10 a. m. at a hearing room of the Bituminous Coal Division at Room 245, U. S. Court House, Nashville, Tennessee.

It is further ordered, That Charles S. Mitchell or any other officer or officers of the Bituminous Coal Division designated by the Director thereof for that purpose shall preside at the hearing in such matter. The officer so designated to preside at such hearing is hereby authorized to conduct said hearing, to administer oaths and affirmations, examine witnesses, subpoena witnesses, compel their attendance, take evidence, require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, to continue said hearing from time to time, and to such places as he may direct by announcement at said hearing or any adjourned hearing or by subsequent notice, and to prepare and submit to the Director proposed findings of fact and conclusions and the recommendation of an appropriate order in the premises, and to perform all other duties in connection therewith authorized by law.

Notice of such hearing is hereby given to said respondent and to all other parties herein and to all persons and entities having an interest in such proceeding.

Notice is hereby given that answer to charges contained herein must be filed with the Bituminous Coal Division at its Washington Office or with any one of the field offices of the Division, within twenty (20) days after date of service thereof on the respondent; and that any respondent failing to file an answer within such period, unless the Director or the presiding officer shall otherwise order, shall be deemed to have admitted said charges and to have consented to the entry of an appropriate order on the basis of the facts alleged.

All persons are hereby notified that the hearing in the above-entitled matter

and orders entered therein may concern, in addition to the matters specifically alleged herein, other matters incidental and related thereto, whether raised by amendment, petition for intervention, or otherwise, and all persons are cautioned to be guided accordingly.

Dated: October 9, 1941.

[SEAL] H. A. GRAY, *Director.*

[F. R. Doc. 41-7660; Filed, October 13, 1941; 10:05 a. m.]

[Docket No. B-50]

IN THE MATTER OF ELFGEN COAL CO. (BERT F. ELFGEN), REGISTERED DISTRIBUTOR, REGISTRATION NO. 2712, RESPONDENT

NOTICE OF AND ORDER FOR HEARING

1. The Bituminous Coal Division finds it necessary in the proper administration of the Bituminous Coal Act of 1937 (the "Act"), to determine

(a) Whether or not the Elfgen Coal Co. (Bert F. Elfgen), a registered distributor, Registration No. 2712, whose address is 222 West Elm Street, Alton, Illinois, the respondent in the above-entitled matter has violated any provisions of the Act, the Marketing Rules and Regulations, the Rules and Regulations for the Registration of Distributors and the Distributor's Agreement (the "Agreement") dated April 8, 1940, executed by respondent, pursuant to Order of the National Bituminous Coal Commission, dated March 24, 1939, in General Docket No. 12, which was adopted as an Order of the Bituminous Coal Division on July 1, 1939; and

(b) Whether or not the registration of said distributor should be revoked or suspended or other appropriate penalties should be imposed;

and for said purpose gives notice that the Division has information to the effect that:

2. The respondent, during the period from October 1, 1940, to December 31, 1940, both dates inclusive, purchased in carload lot quantities approximately 15,913 net tons of coal of various sizes from Walter Bledsoe & Co., St. Louis, Missouri, acting as sales agent for various code member producers; Sahara Coal Company, code member, Chicago, Illinois; Binkley Coal Company, St. Louis, Missouri, acting as sales agent for various code member producers; and Lumaghi Coal Company, code member, St. Louis, Missouri, and during said period resold in carload lot quantities approximately 15,719 net tons of said coal to the City Fuel and Supply Company, Alton, Illinois, and approximately 194 net tons of said coal to the Bluff City Coal Company, Alton, Illinois. The respondent accepted discounts from the effective minimum prices in the aforesaid transactions, although said coal was not purchased for bona fide resale; although no service of value was rendered to Walter Bledsoe & Co., acting as sales agent for various code member producers, and Lumaghi Coal Company; and the transactions were entered into between the respondent and his vendees primarily for the purpose of unjustly enriching said respondent, and except for the incidence of section 4 II (h) of the Act, said vendees would have purchased a portion of said coal from the above-described code members or sales agents, thereby violating section 4 II (h) of the Act and paragraphs (d) and (g) of the Agreement.

It is ordered, That a hearing pursuant to § 304.14 of the Rules and Regulations for the Registration of Distributors, to determine whether the registration of said distributor should be revoked or suspended, be held on December 9, 1941, at 10 a. m. at a hearing room of the Bituminous Coal Division at Room 516, Federal Building, St. Louis, Missouri.

It is further ordered, That Joseph D. Dermody or any other officer or officers of the Bituminous Coal Division designated by the Director thereof for that purpose shall preside at the hearing in such matter. The officer so designated to preside at such hearing is hereby authorized to conduct said hearing, to administer oaths and affirmations, examine witnesses, subpoena witnesses, compel their attendance, take evidence, require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, to continue said hearing from time to time, and to such places as he may direct by announcement at said hearing or any adjourned hearing or by subsequent notice, and to prepare and submit to the Director proposed findings of fact, and conclusions and the recommendation of an appropriate order in the premises, and to perform all other duties in connection therewith authorized by law.

Notice of such hearing is hereby given to said respondent, and to all other parties herein and to all persons and entities having an interest in such proceeding.

Notice is hereby given that answer to the charges alleged herein must be filed with the Bituminous Coal Division at its Washington Office or with any one of the statistical bureaus of the Division, within twenty (20) days after date of service thereof on the respondent; and that any respondent failing to file an answer within such period, unless the Director or the presiding officer shall otherwise order, shall be deemed to have admitted the alleged charges and to have consented to the entry of an appropriate order on the basis of the facts alleged.

All persons are hereby notified that the hearing in the above-entitled matter and orders entered therein may concern, in addition to the matters specifically alleged herein, other matters incidental and related thereto, whether raised by amendment, petition for intervention, or otherwise, and all persons are cautioned to be guided accordingly.

Dated: October 9, 1941.

[SEAL] H. A. GRAY, *Director.*

[F. R. Doc. 41-7661; Filed, October 13, 1941; 10:05 a. m.]

[Docket No. B-3]

IN THE MATTER OF C. E. WERNER, JR., REGISTERED DISTRIBUTOR, REGISTRATION NO. 9584, RESPONDENT

NOTICE OF AND ORDER FOR HEARING

1. The Bituminous Coal Division finds it necessary, in the proper administration of the Bituminous Coal Act of 1937 (the "Act") to determine

(a) Whether or not C. E. Werner, Registered Distributor, Registration No. 9584, the respondent in the above-entitled matter, whose address is 3130 Dayton Building, Chattanooga, Tennessee, has violated any provisions of the Act, the Code, the Marketing Rules and Regulations, Rules and Regulations for Registration of Distributors, and the Distributor's Agreement (the "Agreement"), dated November 19, 1940, executed by the respondent, pursuant to Order of the Bituminous Coal Division dated June 19, 1940, in General Docket No. 12; and

(b) Whether or not the registration of said distributor should be revoked or suspended or other appropriate penalties should be imposed; and for said purposes gives notice that it has information to the effect that:

2. The respondent, during the period January 1, 1941, and April 11, 1941, purchased substantial amounts of coal of various sizes from code members, including the Moore Coal Company, a code member in District No. 8, whose address is 1202 Hamilton Bank Building, Knoxville, Tennessee, and who operates the Moore Mine, Mine Index No. 344.

3. The respondent secured, accepted and retained distributor's discounts from the effective minimum prices of said coal. This coal was resold by the respondent to the Werner Coal Company, Chattanooga, Tennessee, a retailer.

4. The respondent, during the period referred to in paragraph 2 hereof, was under the control, financial or otherwise, of the Werner Coal Company.

5. The respondent, in his application for registration with the Bituminous Coal Division as a distributor of bituminous coal, as described in paragraph 1 hereof, failed to state, as required on pages 5 and 6 of said application that he was affiliated with the Werner Coal Company.

6. The failure to state this material fact was in violation of paragraph (f) of the Agreement and contrary to § 304.11 (c) (6) of the Rules and Regulations for Registration of Distributors.

7. In securing, accepting and retaining the distributor's discounts referred to in

paragraph 3 hereof, while under the control, financial or otherwise of said retailer, the respondent was in violation of § 304.19 (c) of the Rules and Regulations for Registration of Distributors, and paragraph (h) of the Agreement. The acceptance and retention of the discounts, referred to in paragraph 3 hereof, where no service of value was rendered to the code member vendors, but where the transaction was entered into between the respondent and his vendee, Werner Coal Company, primarily for the purpose of unjustly enriching the respondent was in violation of paragraph (g) of the Agreement.

It is therefore ordered, That a hearing pursuant to § 304.14 of the Rules and Regulations for the Registration of Distributors, to determine whether the registration of said distributor should be revoked or suspended, or other appropriate penalties be imposed, be held on December 3, 1941, at 10 a. m. at a hearing room of the Bituminous Coal Division, at Room 245, U. S. Court House, Nashville, Tennessee.

It is further ordered, That Charles S. Mitchell or any other officer or officers of the Bituminous Coal Division designated by the Director thereof for that purpose shall preside at the hearing in such matter. The officer so designated to preside at such hearing is hereby authorized to conduct said hearing, to administer oaths and affirmations, examine witnesses, subpoena witnesses, compel their attendance, take evidence, require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, to continue said hearing from time to time, and to such places as he may direct by announcement at said hearing or any adjourned hearing or by subsequent notice, and to prepare and submit to the Director proposed findings of fact and conclusions and the recommendation of an appropriate order in the premises, and to perform all other duties in connection therewith authorized by law.

Notice of such hearing is hereby given to said respondent and to all other parties herein and to all persons and entities having an interest in such proceeding.

Notice is hereby given that answer to the charges contained herein must be filed with the Bituminous Coal Division at its Washington Office or with any one of the field offices of the Division, within twenty (20) days after date of service thereof on the respondent; and that any respondent failing to file an answer within such period, unless the Director or the presiding officer shall otherwise order, shall be deemed to have admitted the said charges and to have consented to the entry of an appropriate order on the basis of the facts alleged.

All persons are hereby notified that the hearing in the above-entitled matter and orders entered therein may concern, in addition to the matters specifically alleged herein, other matters incidental and related thereto, whether raised by amendment, petition for intervention, or otherwise, and all persons are cautioned to be guided accordingly.

Dated: October 9, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41-7662; Filed, October 13, 1941; 10:05 a. m.]

[Docket No. B-2]

IN THE MATTER OF BURNS FUEL COMPANY, REGISTERED DISTRIBUTOR, REGISTRATION NO. 1285, RESPONDENT

NOTICE OF AND ORDER FOR HEARING

1. The Bituminous Coal Division finds it necessary, in the proper administration of the Bituminous Coal Act of 1937 (the "Act"), to determine

(a) whether or not the Burns Fuel Company, Registered Distributor, Registration No. 1285, the respondent in the above-entitled matter, whose address is 24th and Clifton Road, Nashville, Tennessee, has violated any provisions of the Act, the Code, the Marketing Rules and Regulations (the "Marketing Rules"), Rules and Regulations for the Registration of Distributors (the "Distributors' Rules"), and the Distributor's Agreement (the "Agreement") executed August 17, 1940, by respondent, pursuant to Order of the Bituminous Coal Division, dated June 19, 1940, in General Docket No. 12; and

(b) whether or not the registration of said distributor should be revoked or suspended or other appropriate penalties should be imposed;

and for said purposes gives notice that it has information to the effect that:

2. The respondent during the month of November 1940, sold to the Victor Chemical Company, Mt. Pleasant, Tennessee, 2 cars of 3" x 1¼" nut, which he invoiced as 2" x 1¼" nut, at a price of $1.60 per net ton f. o. b. said mine, whereas the applicable effective minimum price therefor was $1.70 per net ton f. o. b. said mine. Said coal was produced by the Luton Mining Company at its Luton Mine, Mine Index No. 77, District No. 9.

3. The selling of the coal described in paragraph 2 hereof constitutes a violation of sections 4 II (e) and 4 II (h) of the Act, the Rules and Regulations for the Registration of Distributors, and paragraph (b) of the Agreement.

4. The false statement in invoicing said coal, as referred to in paragraph 2 hereof, constituted a violation of Rule 2 of Section XII of the Marketing Rules and paragraph (e) of the Agreement.

5. The respondent was and is the sole owner of the Burns Coal Company of Nashville, Tennessee, a retailer, and in his application for registration with the Bituminous Coal Division as a distributor of coal, as referred to in paragraph 1 hereof, failed to state, as required on pages 5 and 6 of his application and § 304.11 (c) (6) of the Distributors' Rules, that his company was affiliated with said retailer. The failure to state this affiliation constituted a violation of paragraph (f) of the Agreement.

6. The respondent, during the period December 4, 1940 to January 24, 1941, both dates inclusive, purchased 3 cars of 3" x 2" coal, 2 cars of 3" lump coal and 1 car of 4" lump coal produced by the Flat Creek Coal Company, Main Street, Providence, Kentucky, Flat Creek Mine, Mine Index No. 30, District No. 9, which he resold to said Burns Coal Company, and accepted and retained discounts from the effective minimum prices of said coal.

7. In accepting and retaining the distributor's discounts referred to in paragraph 6 hereof, the respondent violated paragraph (g) of the Agreement, since said transactions were entered into between the distributor and its vendee primarily for the purpose of unjustly enriching the respondent.

It is therefore ordered, That a hearing pursuant to § 304.14 of the Rules and Regulations for the Registration of Distributors, to determine whether the registration of said distributor should be revoked or suspended, or other appropriate penalties be imposed, be held on December 1, 1941, at a hearing room of the Bituminous Coal Division at Room 245, U. S. Court House, Nashville, Tennessee.

It is further ordered, That Charles S. Mitchell or any officer or officers of the Bituminous Coal Division designated by the Director thereof for that purpose shall preside at the hearing in such matter. The officer so designated to preside at such hearing is hereby authorized to conduct said hearing, to administer oaths and affirmations, examine witnesses, subpoena witnesses, compel their attendance, take evidence, require the production of any books, papers, correspondence. memoranda or other records deemed relevant or material to the inquiry, to continue said hearing from time to time and to such places as he may direct by announcement at said hearing or any adjourned hearing or by subsequent notice, and to prepare and submit to the Director proposed findings of fact and conclusions and the recommendation of an appropriate order in the premises, and to perform all other duties in connection therewith authorized by law.

Notice of such hearing is hereby given to said respondent, and to all other parties herein and to all persons and entities having an interest in such proceeding.

Notice is hereby given that answer to charges contained herein must be filed with the Bituminous Coal Division at its Washington Office or with any one of the field offices of the Division, within twenty (20) days after date of service thereof on the respondent; and that any respondent failing to file an answer within such period, unless the Director or the presiding

officer shall otherwise order, shall be deemed to have admitted said charges and to have consented to the entry of an appropriate order on the basis of the facts alleged.

All persons are hereby notified that the hearing in the above-entitled matter and orders entered therein may concern, in addition to the matters specifically alleged herein, other matters incidental and related thereto, whether raised by amendment, petition for intervention, or otherwise, and all persons are cautioned to be guided accordingly.

Dated: October 9, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41-7663; Filed, October 13, 1941; 10:06 a. m.]

[Docket No. B-39]

IN THE MATTER OF CLARENCE SMITH, CODE MEMBER, DEFENDANT

NOTICE OF AND ORDER FOR HEARING

A complaint dated September 16, 1941, pursuant to the provisions of sections 4 II (j) and 5(b) of the Bituminous Coal Act of 1937, having been duly filed on September 24, 1941, by Bituminous Coal Producers Board for District No. 8, a District Board, complainant, with the Bituminous Coal Division alleging willful violation by the defendant of the Bituminous Coal Code or rules and regulations thereunder;

It is ordered, That a hearing in respect to the subject matter of such complaint be held on November 17, 1941, at 10 a. m., at a hearing room of the Bituminous Coal Division at the Court Room, Federal Building, Catlettsburg, Kentucky.

It is further ordered, That Charles S. Mitchell or any other officer or officers of the Bituminous Coal Division designated by the Director thereof for that purpose shall preside at the hearing in such matter. The officer so designated to preside at such hearing is hereby authorized to conduct said hearing, to administer oaths and affirmations, examine witnesses, subpoena witnesses, compel their attendance, take evidence, require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, to continue said hearing from time to time, and to such places as he may direct by announcement at said hearing or any adjourned hearing or by subsequent notice, and to prepare and submit to the Director proposed findings of fact and conclusions and the recommendation of an appropriate order in the premises, and to perform all other duties in connection therewith authorized by law.

Notice of such hearing is hereby given to said defendant and to all other parties herein and to all persons and entities having an interest in such proceeding. Any person or entity eligible under § 301.123 of the Rules and Regulations Governing Practice and Procedure Before the Bituminous Coal Division in Proceedings Instituted Pursuant to sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937, may file a petition for intervention not later than five (5) days before the date herein set for hearing on the complaint.

Notice is hereby given that answer to the complaint must be filed with the Bituminous Coal Division at its Washington office or with any one of the statistical bureaus of the Division, within twenty (20) days after date of service thereof on the defendant; and that any defendant failing to file an answer within such period, unless the Director or the presiding officer shall otherwise order, shall be deemed to have admitted the allegations of the complaint herein and to have consented to the entry of an appropriate order on the basis of the facts alleged.

All persons are hereby notified that the hearing in the above-entitled matter and orders entered therein may concern, in addition to the matters specifically alleged in the complaint herein, other matters incidental and related thereto, whether raised by amendment of the complaint, petition for intervention, or otherwise, and all persons are cautioned to be guided accordingly.

The matter concerned herewith is in regard to the complaint filed by said complainant, alleging willful violation by the above-named defendant of the Bituminous Coal Code or rules and regulations thereunder as follows: The defendant, Clarence Smith, R. F. D. No. 1, Woodbine, Kentucky, sold during the period April 21, 1941, to May 1, 1941, to J. W. Faulkner, Barbourville, Kentucky, approximately 90 tons of size 2" and under slack coal produced by the defendant at his Clarence Smith Mine, Mine Index No. 1689, located in Wilton, Knox County, Kentucky, at 50 cents per net ton f. o. b. the mine, whereas this coal was classified as Size Group 7, as shown in the Schedule of Effective Minimum Prices for Truck Shipments for District No. 8, and priced at $1.55 per net ton f. o. b. the mine. Said sales were made at prices which were $1.05 below the applicable effective minimum prices established by the Division, in violation of section 4 Part II (e) of the Act and Part II (e) of the Code.

Dated: October 9, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41-7664; Filed, October 13, 1941; 10:06 a. m.]

[Docket No. B-1]

IN THE MATTER OF HARMAN COAL COMPANY, REGISTERED DISTRIBUTOR, REGISTRATION NO. 4002, RESPONDENT

NOTICE OF AND ORDER FOR HEARING

1. The Bituminous Coal Division finds it necessary, in the proper administration of the Bituminous Coal Act of 1937 (the "Act"), to determine

(a) Whether or not the Harman Coal Company, Registered Distributor, Registration No. 4002, the respondent in the above-entitled matter, whose address is 50 West Broad Street, Columbus, Ohio, has violated any provisions of the Act, the Code, the Marketing Rules and Regulations, Rules and Regulations for Registration of Distributors, and the Distributor's Agreement (the "Agreement"), dated June 29, 1939, executed by the respondent pursuant to Order of the National Bituminous Coal Commission dated March 24, 1939, in Docket No. 12, which has been adopted as an Order of the Bituminous Coal Division on July 1, 1939, or any orders or regulations of the Division; and

(b) Whether or not the registration of said distributor should be revoked or suspended or other appropriate penalties should be imposed;

and for said purposes gives notice that it has information to the effect that:

2. The respondent, subsequent to September 30, 1940, has failed to furnish or cause to be furnished to the Division copies of all resale contracts or orders entered into by respondent with its customers, and copies of all invoices to its vendees.

The failure to furnish these documents, described above, constitutes a violation of Division Order No. 295, dated June 14, 1940, Division Order No. 301, dated August 8, 1940, and Division Order No. 313, dated February 24, 1941, and paragraphs (e) and (f) of the Agreement.

3. The respondent during October 1940, accepted discounts in excess of the maximum applicable discounts prescribed by the Division on four cars of slack coal purchased by said respondent from C. E. Haymaker, a code member in District No. 4, doing business as Paramount Coal Company, P. O. Box 323, Logan, Ohio, and produced at his Paramount Mine in Hocking County, Mine Index 170, which coal was resold by the respondent in its own name to the Longview State Hospital, Carthage, Ohio.

The acceptance of discounts by the respondent as described above constitutes a violation of section 4 II (h) of the Act, and paragraphs (a) and (e) of the Agreement.

It is therefore ordered, That a hearing pursuant to § 304.14 of the Rules and Regulations for the Registration of Distributors, to determine whether the registration of said distributor should be revoked or suspended, or other appropriate penalties be imposed, be held on November 28, 1941, at 10 a. m. at a hearing room of the Bituminous Coal Division at Room 322, New Federal Building, Columbus, Ohio.

It is further ordered, That W. A. Cuff or any other officer or officers of the Bituminous Coal Division designated by the Director thereof for that purpose shall preside at the hearing in such matter. The officer so designated to preside at such hearing is hereby authorized to conduct said hearing, to administer oaths

and affirmations, examine witnesses, subpoena witnesses, compel their attendance, take evidence, require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, to continue said hearing from time to time, and to such places as he may direct by announcement at said hearing or any adjourned hearing or by subsequent notice, and to prepare and submit to the Director proposed findings of fact and conclusions and the recommendation of an appropriate order in the premises, and to perform all other duties in connection therewith authorized by law.

Notice of such hearing is hereby given to said respondent, and to all other parties herein and to all persons and entities having an interest in such proceeding.

Notice is hereby given that answer to charges contained herein must be filed with the Bituminous Coal Division at its Washington Office or with any one of the field offices of the Division, within twenty (20) days after date of service thereof on the respondent; and that any respondent failing to file an answer within such period, unless the Director or the presiding officer shall otherwise order, shall be deemed to have admitted said charges and to have consented to the entry of an appropriate order on the basis of the facts alleged.

All persons are hereby notified that the hearing in the above-entitled matter and orders entered therein may concern, in addition to the matters specifically alleged herein, other matters incidental and related thereto, whether raised by amendment, petition for intervention, or otherwise, and all persons are cautioned to be guided accordingly.

Dated: October 9, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41-7665; Filed, October 13, 1941; 10:06 a. m.]

[Docket No. B-38]

IN THE MATTER OF MARION COUNTY COAL MINING CORPORATION, INC., CODE MEMBER, DEFENDANT

NOTICE OF AND ORDER FOR HEARING

A complaint dated September 15, 1941, pursuant to the provisions of sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937, having been duly filed on September 18, 1941, by the Bituminous Coal Producers Board for District No. 10, a district board, complainant, with the Bituminous Coal Division alleging willful violation by the defendant of the Bituminous Coal Code or rules and regulations thereunder;

It is ordered, That a hearing in respect to the subject matter of such complaint be held on December 12, 1941, at 10 a. m., at a hearing room of the Bituminous Coal Division at the Post Office Building, Centralia, Illinois.

It is further ordered, That Joseph D. Dermody or any other officer or officers of the Bituminous Coal Division designated by the Director thereof for that purpose shall preside at the hearing in such matter. The officer so designated to preside at such hearing is hereby authorized to conduct said hearing, to administer oaths and affirmations, examine witnesses, subpena witnesses, compel their attendance, take evidence, require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, to continue said hearing from time to time, and to such places as he may direct by announcement at said hearing or any adjourned hearing or by subsequent notice, and to prepare and submit to the Director proposed findings of fact and conclusions and the recommendation of an appropriate order in the premises, and to perform all other duties in connection therewith authorized by law.

Notice of such hearing is hereby given to said defendant and to all other parties herein and to all persons and entities having an interest in such proceeding. Any person or entity eligible under § 301.123 of the Rules and Regulations Governing Practice and Procedure Before the Bituminous Coal Division in Proceedings Instituted Pursuant to sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937, may file a petition for intervention not later than five (5) days before the date herein set for hearing on the complaint.

Notice is hereby given that answer to the complaint must be filed with the Bituminous Coal Division at its Washington office or with any one of the statistical bureaus of the Division, within twenty (20) days after date of service thereof on the defendant; and that any defendant failing to file an answer within such period, unless the Director or the presiding officer shall otherwise order, shall be deemed to have admitted the allegations of the complaint herein and to have consented to the entry of an appropriate order on the basis of the facts alleged.

All persons are hereby notified that the hearing in the above-entitled matter and orders entered therein may concern, in addition to the matters specifically alleged in the complaint herein, other matters incidental and related thereto, whether raised by amendment of the complaint, petition for intervention, or otherwise, and all persons are cautioned to be guided accordingly.

The matter concerned herewith is in regard to the complaint filed by said complainant, alleging willful violation by the above-named defendant of the Bituminous Coal Code or rules and regulations thereunder as follows: That the defendant, whose address is Box 421, Centralia, Illinois, during the period from October 1, 1940 to March 31, 1941, both dates inclusive, sold and delivered to Armour and Company of Chicago, Illinois, approximately 38,683.57 net tons of 1½" screenings, Size Group No. 14, produced at the Glenridge Mine, Mine Index No. 58, of said defendant, located in Marion County, Illinois, in District No. 10, at $1.09 per net ton f. o. b. the mine, whereas the effective minimum price f. o. b. the mine for said coal at the time of said transactions was $1.15 per net ton, as set forth in the Schedule of Effective Minimum Prices for District No. 10 For All Shipments Except Truck.

Dated: October 9, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41-7666; Filed, October 13, 1941; 10:06 a. m.]

[Docket No. 1653-FD]

IN THE MATTER OF DWAINE BROWN, LIVONIA, MISSOURI, CODE MEMBER, DEFENDANT

NOTICE OF AND ORDER FOR HEARING

A complaint dated April 8, 1941, pursuant to the provisions of sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937, having been duly filed on April 12, 1941, by Bituminous Coal Producers Board for District No. 15, complainant, with the Bituminous Coal Division alleging willful violation by the defendant of the Bituminous Coal Code or rules and regulations thereunder;

It is ordered, That a hearing in respect to the subject matter of such complaint be held on December 2, 1941, at 10 a. m., at a hearing room of the Bituminous Coal Division at Putnam County Court House, Unionville, Missouri.

It is further ordered, That Joseph D. Dermody or any other officer or officers of the Bituminous Coal Division designated by the Director thereof for that purpose shall preside at the hearing in such matter. The officer so designated to preside at such hearing is hereby authorized to conduct said hearing, to administer oaths and affirmations, examine witnesses, subpoena witnesses, compel their attendance, take evidence, require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, to continue said hearing from time to time, and to such places as he may direct by announcement at said hearing or any adjourned hearing or by subsequent notice, and to prepare and submit to the Director proposed findings of fact and conclusions and the recommendation of an appropriate order in the premises, and to perform all other duties in connection therewith authorized by law.

Notice of such hearing is hereby given to said defendant and to all other parties herein and to all persons and entities having an interest in such proceeding. Any person or entity eligible under § 301.123 of the Rules and Regulations Governing Practice and Procedure Before the Bituminous Coal Division in Proceedings Instituted Pursuant to sections 4 II (j) and 5 (b) of the Bituminous

Coal Act of 1937, may file a petition for intervention not later than five (5) days before the date herein set for hearing on the complaint.

Notice is hereby given, that answer to the complaint must be filed with the Bituminous Coal Division at its Washington office or with any one of the statistical bureaus of the Division, within twenty (20) days after date of service thereof on the defendant; and that any defendant failing to file an answer within such period, unless the Director or the presiding officer shall otherwise order, shall be deemed to have admitted the allegations of the complaint herein and to have consented to the entry of an appropriate order on the basis of the facts alleged.

All persons are hereby notified, that the hearing in the above-entitled matter and orders entered therein may concern, in addition to the matters specifically alleged in the complaint herein, other matters incidental and related thereto, whether raised by amendment of the complaint, petition for intervention, or otherwise, and all persons are cautioned to be guided accordingly.

The matter concerned herewith is in regard to the complaint filed by said complainant, alleging willful violation by the above-named defendant of the Bituminous Coal Code or rules and regulations thereunder as follows: That the defendant failed and refused to maintain records relating to his production and sale of coal and to submit reports thereof as required by Division Order No. 318 dated February 15, 1941.

Dated: October 10, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41-7667; Filed, October 13, 1941; 10:06 a. m.]

[Docket No. B-32]

IN THE MATTER OF RED BIRD NUMBER 5 COAL COMPANY, A PARTNERSHIP, CODE MEMBER, DEFENDANT

NOTICE OF AND ORDER FOR HEARING

A complaint dated September 8, 1941, pursuant to the provisions of sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937, having been duly filed on September 13, 1941, by Bituminous Coal Producers Board for District 11, a District Board, complainant, with the Bituminous Coal Division alleging willful violation by the defendant of the Bituminous Coal Code or rules and regulations thereunder;

It is ordered, That a hearing in respect to the subject matter of such complaint be held on December 17, 1941, at 10 a. m., at a hearing room of the Bituminous Coal Division at the Post Office Building, Terre Haute, Indiana.

It is further ordered, That Joseph D. Dermody or any other officer or officers of the Bituminous Coal Division designated by the Director thereof for that purpose shall preside at the hearing in such matter. The officer so designated to preside at such hearing is hereby authorized to conduct said hearing, to administer oaths and affirmations, examine witnesses, subpoena witnesses, compel their attendance, take evidence, require the production of any books, papers, correspondence, memoranda or other records, deemed relevant or material to the inquiry, to continue said hearing from time to time, and to such places as he may direct by announcement at said hearing or any adjourned hearing or by subsequent notice, and to prepare and submit to the Director proposed findings of fact and conclusions and the recommendation of an appropriate order in the premises, and to perform all other duties in connection therewith authorized by law.

Notice of such hearing is hereby given to said defendant and to all other parties herein and to all persons and entities having an interest in such proceeding. Any person or entity eligible under § 301.123 of the Rules and Regulations Governing Practice and Procedure Before the Bituminous Coal Division in Proceedings Instituted Pursuant to sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937, may file a petition for intervention not later than five (5) days before the date herein set for hearing on the complaint.

Notice is hereby given, that answer to the complaint must be filed with the Bituminous Coal Division at its Washington office or with any one of the statistical bureaus of the Division, within twenty (20) days after date of service thereof on the defendant; and that any defendant failing to file an answer within such period, unless the Director or the presiding officer shall otherwise order, shall be deemed to have admitted the allegations of the complaint herein and to have consented to the entry of an appropriate order on the basis of the facts alleged.

All persons are hereby notified that the hearing in the above-entitled matter and orders entered therein may concern, in addition to the matters specifically alleged in the complaint herein, other matters incidental and related thereto, whether raised by amendment of the complaint, petition for intervention, or otherwise, and all persons are cautioned to be guided accordingly.

The matter concerned herewith is in regard to the complaint filed by said complainant, alleging willful violation by the above-named defendant of the Bituminous Coal Code or rules and regulations thereunder as follows:

(a) By selling to various purchasers, during the period March 26, 1941 to April 2, 1941, both dates inclusive, a substantial amount of 3/8" lump coal produced at its Red Bird Mine, Mine Index No. 648, located in Sullivan County, Indiana, in District No. 11, at a price of $1.80 per ton f. o. b. the mine, whereas the effective minimum price established for such coal was and is $2.20 per net ton f. o. b. the mine as contained in the Schedule of Effective Minimum Prices for District No. 11 for Truck Shipments; and

(b) By intentionally misrepresenting, invoicing and recording in the sales records of defendant, the above said coal as mine run, whereas such coal was in fact 3/8" lump coal, in violation of paragraph 8 of section 4 II (i) of the Act, Rule 8 of section XIII and Rule 2 of section XII of the Marketing Rules and Regulations; and

(c) By failing to maintain and keep on file the records required by the Orders of the Director, Nos. 307 and 312 dated December 11, 1940 and February 24, 1941.

Dated: October 10, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41-7668; Filed, October 13, 1941; 10:07 a. m.]

[Docket No. B-18]

IN THE MATTER OF HARTFORD COAL COMPANY, A CORPORATION, CODE MEMBER, DEFENDANT

NOTICE OF AND ORDER FOR HEARING

A complaint dated August 30, 1941, pursuant to the provisions of sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937, having been duly filed on September 6, 1941, by Bituminous Coal Producers' Board for District No. 9 a District Board, complainant, with the Bituminous Coal Division alleging willful violation by the defendant of the Bituminous Coal Code or rules and regulations thereunder;

It is ordered, That a hearing in respect to the subject matter of such complaint be held on November 25, 1941, at 10 a. m., at a hearing room of the Bituminous Coal Division at the Circuit Court, Madisonville, Kentucky.

It is further ordered, That Charles S. Mitchell or any other officer or officers of the Bituminous Coal Division designated by the Director thereof for that purpose shall preside at the hearing in such matter. The officer so designated to preside at such hearing is hereby authorized to conduct said hearing to administer oaths and affirmations, examine witnesses, subpoena witnesses, compel their attendance take evidence, require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, to continue said hearing from time to time, and to such places as he may direct by announcement at said hearing or any adjourned hearing or by subsequent notice, and to prepare and submit to the Director proposed findings of fact and conclusions and the recommendation of an appropriate order in the premises, and to perform all other duties in connection therewith authorized by law.

Notice of such hearing is hereby given to said defendant and to all other parties herein and to all persons and entities having an interest in such proceeding.

Any person or entity eligible under § 301.123 of the Rules and regulations Governing Practice and Procedure Before the Bituminous Coal Division in Proceedings Instituted Pursuant to sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937, may file a petition for intervention not later than five (5) days before the date herein set for hearing on the complaint.

Notice is hereby given that answer to the complaint must be filed with the Bituminous Coal Division at its Washington office or with any one of the statistical bureaus of the Division, within twenty (20) days after date of service thereof on the defendant; and that any defendant failing to file an answer within such period, unless the Director or the presiding officer shall otherwise order, shall be deemed to have admitted the allegations of the complaint herein and to have consented to the entry of an appropriate order on the basis of the facts alleged.

All persons are hereby notified that the hearing in the above-entitled matter and orders entered therein may concern, in addition to the matters specifically alleged in the complaint herein, other matters incidental and related thereto, whether raised by amendment of the complaint, petition for intervention, or otherwise, and all persons are cautioned to be guided accordingly.

The matter concerned herewith is in regard to the complaint filed by said complainant, alleging willful violation by the above-named defendant of the Bituminous Coal Code or rules and regulations thereunder as follows:

By selling, during the period from December 4, 1940, to January 10, 1941, both dates inclusive, to various purchasers approximately 8 tons of ¾" screenings coal produced by the defendant at its Hartford Coal Company Mine, Mine Index No. 610, located in District No. 9, at 50 cents per net ton f. o. b. the mine, whereas this coal was classified as Size Group 14 and priced at $1.10 per net ton f. o. b. the mine as shown in the Schedule of Effective Minimum Prices for Truck Shipments, for District No. 9, which transactions constituted sales of coal at prices below the minimum established therefor.

Dated: October 10, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41-7669; Filed, October 13, 1941; 10:07 a. m.]

[Docket No. B-14]

IN THE MATTER OF ROY C. ELLIS (ROY C. ELLIS MINING COMPANY) CODE MEMBER, DEFENDANT

NOTICE OF AND ORDER FOR HEARING

A complaint dated August 16, 1941, pursuant to the provisions of sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937, having been duly filed on August 26, 1941, by Bituminous Coal Producers Board for District No. 12, a District Board, complainant, with the Bituminous Coal Division alleging willful violation by the defendant of the Bituminous Coal Code or rules and regulations thereunder;

It is ordered, That a hearing in respect to the subject matter of such complaint be held on November 29, 1941, at 10 a. m., at a hearing room of the Bituminous Coal Division at the Council Chamber, City Hall, Oskaloosa, Iowa.

It is further ordered, That Joseph D. Dermody or any other officer or officers of the Bituminous Coal Division designated by the Director thereof for that purpose shall preside at the hearing in such matter. The officer so designated to preside at such hearing is hereby authorized to conduct said hearing, to administer oaths and affirmations, examine witnesses, subpena witnesses, compel their attendance, take evidence, require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, to continue said hearing from time to time, and to such places as he may direct by announcement at said hearing or any adjourned hearing or by subsequent notice, and to prepare and submit to the Director proposed findings of fact and conclusions and the recommendation of an appropriate order in the premises, and to perform all other duties in connection therewith authorized by law.

Notice of such hearing is hereby given to said defendant and to all other parties herein and to all persons and entities having an interest in such proceeding. Any person or entity eligible under § 301.123 of the Rules and Regulations Governing Practice and Procedure Before the Bituminous Coal Division in Proceedings Instituted Pursuant to sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937, may file a petition for intervention not later than five (5) days before the date herein set for hearing on the complaint.

Notice is hereby given that answer to the complaint must be filed with the Bituminous Coal Division at its Washington office or with any one of the statistical bureaus of the Division, within twenty (20) days after date of service thereof on the defendant; and that any defendant failing to file an answer within such period, unless the Director or the presiding officer shall otherwise order, shall be deemed to have admitted the allegations of the complaint herein and to have consented to the entry of an appropriate order on the basis of the facts alleged.

All persons are hereby notified that the hearing in the above-entitled matter and orders entered therein may concern, in addition to the matters specifically alleged in the complaint herein, other matters incidental and related thereto, whether raised by amendment of the complaint, petition for intervention, or otherwise, and all persons are cautioned to be guided accordingly.

The matter concerned herewith is in regard to the complaint filed by said complainant, alleging willful violation by the above-named defendant of the Bituminous Coal Code or rules and regulations thereunder as follows: The defendant, Roy C. Ellis, 707 6th Avenue, Oskaloosa, Iowa, sold during the period from October 1, 1940, to August 15, 1941, both dates inclusive, to the What Cheer Clay Products Company, What Cheer, Iowa, at $1.70 per net ton f. o. b. said mine, approximately 1250 tons of run of mine coal produced by the defendant at his mine, Mine Index No. 16, located in District No. 12, whereas said coal was classified as Size Group 5 as shown in the Schedule of Effective Minimum Prices for District No. 12 for Truck Shipments and priced at $2.75 per net ton f. o. b. said mine, which transactions constituted (a) sales of coal at a price which was $1.05 below the minimum established therefor, and (b) sales of coal as screenings (Size Group 8) when in fact the actual coal sold was run of mine (Size Group 5).

Dated: October 10, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41-7670; Filed, October 13, 1941; 10:07 a. m.]

[Docket No. 1731-FD]

IN THE MATTER OF W. C. THOMAS AND L. PAYNE, DEFENDANTS

ORDER CANCELING AND REVOKING CODE MEMBERSHIP

A complaint dated May 17, 1941, pursuant to the provisions of sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937 (the "Act"), having been duly filed on May 17, 1941, by the Bituminous Coal Producers Board for District No. 8, a District Board complainant with the Bituminous Coal Division (the Division) alleging that the defendants, W. C. Thomas and L. Payne, code members doing business as Thomas and Payne, a partnership, wilfully violated the provisions of the Bituminous Coal Code and the effective minimum prices established thereunder by selling bituminous coal produced by the defendants at their mine, known as the Thomas & Payne Mine, designated as Mine Index No. 2368, located at or near Banner, Virginia, at prices below the effective minimum prices therefor, as more specifically set forth in said complaint; and

The defendants by stipulation made August 23, 1941, a true copy of which is annexed hereto, having admitted the allegations of the complaint and the facts set out in the stipulation, and having consented to the making and entry of this order; and

The defendants having agreed that upon the entry of this order, they will immediately pay to the United States Government the amount of the tax, namely $7.18, stipulated by them to be the amount required to be paid by section 5 (c) of the Act as a condition to

reinstatement of their membership in the code, and that they will make such application as will be necessary for their reinstatement as code members.

It is hereby found that the defendants, a partnership consisting of W. C. Thomas and L. Payne, filed with the National Bituminous Coal Commission (the Commission) on June 1, 1938, their acceptance, dated May 31, 1938, of the code and that said acceptance was approved by the Commission to take effect as of June 1, 1938, and that the defendants have been, since the last mentioned date, and are now code members in District No. 8.

It is hereby further found that the defendants wilfully violated the provisions of the code and the effective minimum prices established thereunder as alleged in the complaint herein by selling, offering for sale, and delivering bituminous coal produced by the defendants at their mine known as the Thomas & Payne Mine, designated of Mine Index No. 2368, located at or near Banner, Virginia, in District No. 8, in the following manner and to the following extent:

A. That the defendants sold, offered for sale, and delivered, on February 11, 1941, 12,435 pounds of nut and slack coal to one, J. W. Greene, at the price of approximately $1.00 per net ton f. o. b. the mine, whereas the effective minimum price for said coal was $1.55 per net ton f. o. b. the mine.

B. That the defendants sold, offered for sale, and delivered, on February 12, 1941, 11,950 pounds of nut and slack coal to one, J. W. Green, at the price of approximately $1.04 per net ton f. o. b. the mine, whereas the effective minimum price for such coal was $1.55 per net ton f. o. b. the mine.

It is hereby further found that the amount of the tax, established by sections 5 (b) and (c) of the Act, required to be paid by the defendants as a condition to reinstatement of their membership in the Code, is $7.18, which amount is 39% of the effective minimum price of $18.44 for said coal.

Now, therefore, based upon the above findings and upon the defendants' stipulation and agreement that they will immediately upon the entry of this order pay to the United States Government the amount of the tax, namely, $7.18, found to be the amount required to be paid by the defendants pursuant to sections 5 (b) and (c) of the Act as a condition to reinstatement of their membership in the Code;

It is ordered, That the membership of the above-named defendants in the Code be and the same is hereby cancelled and revoked, said cancellation and revocation to become effective ten (10) days after service of copy of this order upon the defendants.

Dated: October 9, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41-7671; Filed, October 13, 1941; 10:07 a. m.]

[Docket No. 1707-FD]

IN THE MATTER OF V & M COAL COMPANY, DEFENDANT

ORDER REVOKING AND CANCELING CODE MEMBERSHIP

A complaint having been filed on June 2, 1941, with the Bituminous Coal Division, pursuant to the provisions of sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937, by District Board No. 4 alleging wilful violation by the V & M Coal Company, a code member in District 4, of the Bituminous Coal Code and rules and regulations thereunder as follows:[1]

That the defendant, between October 1, 1940, and April 1, 1941, both dates inclusive, sold substantial quantities of 3" plus slack coal, 3" plus lump coal and 6" lump coal, produced at its V & M Mine (Mine Index No. 1998) located in Mahoning County, Ohio, in District 4, to various purchasers at prices as follows: $1.00, $1.25, $1.95, $2.00, $2.05 per ton f. o. b. defendant's mine for 3" plus slack coal; $1.25, $1.75, $2.00, $2.25 and $2.50 per ton f. o. b. defendant's mine for 3" plus lump coal; and $2.50 per ton f. o. b. defendant's mine for 6" lump coal; whereas, the effective minimum price for said 3" plus slack coal was $2.35 per ton f. o. b. defendant's mine, for said 3" plus lump coal it was $2.90 per ton f. o. b. defendant's mine and for said 6" lump coal it was $3.00 per ton f. o. b. defendant's mine, all as set forth in the Schedule of Effective Minimum Prices for District No. 4 for Truck Shipments; and

Defendant failed to file duplicate copies of daily sales slips or invoices with the field office of the Division for District 4, during the period October 1, 1940, to December 31, 1940, both dates inclusive, in violation of Division Order No. 296, dated September 23, 1940; and

Defendant failed to file a monthly report of all sales of coal sold and shipped from defendant's mine by truck or wagon, or file copies of sales slips or invoices for each sale in lieu of said monthly report covering the sales period January 1, 1941 to April 1, 1941, both dates inclusive, in violation of Division Order No. 309 dated January 14, 1941;

Pursuant to an Order of the Director and after due notice to all interested persons, a hearing having been held in this matter on September 2, 1941, at a hearing room of the Division in Youngstown, Ohio;

At the conclusion of the hearing, all parties having joined in the waiving of the preparation and filing of the Examiner's report, the matter having been thereupon submitted to the Director and the Director having made Findings of Fact, Conclusions of Law and having rendered an Opinion, which are filed forthwith;[2]

Now, therefore, it is ordered, That, pursuant to section 5 (b) of the Act, the code membership of the defendant, the V & M Coal Company, a code member in District 4, be and it is hereby revoked and canceled; and

It is further ordered, That prior to any reinstatement of the defendant, the V & M Coal Company, a partnership, or Joseph Mihalko, Sr., John Mihalko, Jr. and Paul Mihalko, partners therein, to membership in the Code, the defendant or any of the individual partners thereof shall pay to the united States a tax in the amount of $382.61 as provided in section 5 (c) of the Bituminous Coal Act of 1937.

Dated: October 10, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41-7672, Filed, October 13, 1941; 10:07 a. m.]

[1] The complaint was amended by agreement of the parties on September 2, 1941 in accordance with section 5 (b) of the rules and regulations governing proceedings in compliance matters.

[2] Not filed as part of the original document.

[Docket No. A-239]

PETITION OF THE DAWSON COAL COMPANY, A CODE MEMBER IN DISTRICT NO. 3, FOR REVISION OF EFFECTIVE MINIMUM PRICES IN SIZE GROUPS 5, 6, 7, 8, 9 AND 10, PURSUANT TO SECTION 4 II (d) OF THE BITUMINOUS COAL ACT OF 1937

ORDER DISMISSING PETITION

The original petitioner having moved that the proceedings in the above-entitled matter be dismissed without prejudice, and there having been no opposition thereto:

Now, therefore, it is ordered, That the original petition in the above-entitled matter be dismissed, without prejudice, and that the proceedings in this docket be closed.

Dated: October 9, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41-7673; Filed, October 13, 1941; 10:08 a. m.]

[Docket No. A-151]

PETITION OF CONSOLIDATION COAL COMPANY, INC., FOR REVISION OF PRICE INSTRUCTION 4 IN THE SCHEDULE OF EFFECTIVE MINIMUM PRICES FOR ALL SHIPMENTS EXCEPT TRUCK SO AS TO PERMIT SHIPMENT OF OVERSIZED 3/4" X 0 COALS FROM MINE NOS. 120-121 (ACOSTA), MINE INDEX NOS. 115-116, DISTRICT NO. 1

ORDER OF THE DIRECTOR APPROVING AND ADOPTING PROPOSED FINDINGS OF FACT, PROPOSED CONCLUSIONS OF LAW AND RECOMMENDATION OF THE EXAMINER AND DENYING RELIEF

This proceeding having been instituted by a petition filed with the Bituminous Coal Division by Consolidation Coal Company, Inc., a code member in District 1, pursuant to section 4 II (d) of the Bituminous Coal Act of 1937, requesting a modification of Price Instruction No. 4 in the Schedule of Effective

Minimum Prices for District No. 1 for All Shipments Except Truck with respect to petitioner's oversized ¾" x 0 coals moving from the Nos. 120–121 (Acosta) Mine, Mine Index Nos. 115–116, to various consumers;

Temporary relief having been granted by the Director to the extent of permitting petitioner to sell, to Bethlehem Steel Corporation at Bethlehem, Pennsylvania, for by-product use only, oversized ¾" x 0 slack coals produced at its Nos. 120–121 (Acosta) Mine at a price of $2.05 f. o. b. transportation facilities at the mine;

Pursuant to an Order of the Director, a hearing having been held in this matter on November 25, 1940, before Edward J. Hayes, a duly designated Examiner of the Division in Washington, at which all interested persons were afforded an opportunity to participate fully in the proceedings;

Intervening petitions having been filed in this matter by District Boards Nos. 1 and 7, and by Pocahontas Fuel Company, Inc., the Pocahontas Corporation, and Pulaski Iron Company, code members in District 7;

Examiner Edward J. Hayes having filed with the Director on September 9, 1941, his Report, Proposed Findings of Fact, Proposed Conclusions of Law and Recommendations in which it is recommended that the petitioner's request for relief herein be denied and the temporary relief terminated;

No exceptions having been filed with the Division to the Examiner's recommendation;

The undersigned having considered the record in this matter and having determined that the Proposed Findings of Fact and the Proposed Conclusions of Law of the Examiner should be approved and adopted as the Findings of Fact and Conclusions of Law of the undersigned;

Now, therefore, it is ordered, That the Proposed Findings of Fact and Proposed Conclusions of Law of the Examiner be and they are hereby adopted as the Findings of Fact and Conclusions of Law of the undersigned; and

It is further ordered, That the prayer for relief in this proceeding be and it is hereby denied, and the temporary relief heretofore granted be and it hereby is terminated.

Dated: October 9, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41–7674; Filed, October 13, 1941; 10:08 a. m.]

APPLICATIONS FOR REGISTRATION AS DISTRIBUTORS

An application for registration as a distributor has been filed by each of the following and is under consideration by the Director:

Name and address	*Date application filed*
Butler Consolidated Coal Co., Wildwood, Pa.	Oct. 2, 1941
Calvert Coal Co. (K. P. Macmillan), Calvert Building, Baltimore, Md.	Sept. 29, 1941
Campbell Coal Co., Campbell Bldg., Piedmont, W. Va.	Oct. 2, 1941
E. H. Longshore, P. O. Box 157, York, Ala.	Oct. 2, 1941
Warren J. Rusk, 33 Douglas Ave., Mansfield, Ohio	Sept. 29, 1941

Any district board, code member, distributor, the Consumers' Counsel, or any other interested person, who has pertinent information concerning the eligibility of any of the above-named applicants for registration as distributors under the provisions of the Bituminous Coal Act and the Rules and Regulations for the Registration of Distributors, is invited to furnish such information to the Division on or before November 10, 1941. This information should be mailed or presented to the Bituminous Coal Division, 734 15th Street, NW., Washington, D. C.

Dated: October 9, 1941.

[SEAL] H. A. GRAY,
Director.

[F. R. Doc. 41–7675; Filed, October 13, 1941; 10:08 a. m.]

DEPARTMENT OF AGRICULTURE.

Rural Electrification Administration.

[Administrative Order No. 624]

ALLOCATION OF FUNDS FOR LOANS

OCTOBER 2, 1941.

By virtue of the authority vested in me by the provisions of section 4 of the Rural Electrification Act of 1936, as amended, I hereby allocate, from the sums authorized by said Act, funds for loans for the projects and in the amounts as set forth in the following schedule:

Project designation:	*Amount*
Alabama 2035A2 Jackson	$38,000
Arkansas 2018D2 Carroll	61,000
Colorado 2018G2 Gunnison	120,000
Idaho 2004G2 Bonner	195,000
Indiana 2006D1 Boone	32,000
Indiana 2042D1 Parke	45,000
Indiana 2053C1 Steuben	18,000
Kentucky 2046D2 Harrison	60,000
Kentucky 2054C1 Wayne	223,000
Michigan 2041C1 Oceana	55,000
Minnesota 2094A3 North Itasca	23,000
New Jersey 2004D1 Monmouth	25,000
North Carolina 2031B2 Halifax	25,000
Ohio 2056C1 Lorain	27,500
Tennessee 2051B1 Johnson	218,000
Texas 2040E2 Bowie	34,000
Texas 2092C2 Bandera	40,000
Texas 2117G2 Upshur	1,450,000
Vermont 2010B1 Windham	52,000
Wyoming 2017B2 S. E.	4,700

[SEAL] HARRY SLATTERY,
Administrator.

[F. R. Doc. 41–7647; Filed, October 11, 1941; 11:38 a. m.]

[Administrative Order No. 625]

ALLOCATION OF FUNDS FOR LOANS

OCTOBER 7, 1941.

By virtue of the authority vested in me by the provisions of section 4 of the Rural Electrification Act of 1936, as amended, I hereby allocate, from the sums authorized by said Act, funds for loans for the projects and in the amounts as set forth in the following schedule:

Project Designation:	*Amount*
Arkansas 2009C2 Craighead	$20,000
Arkansas 2024E2 Washington	21,000
Colorado 2018B1 Gunnison	50,000
Georgia 2034E1 Carroll	158,000
Indiana 2016F1 Henry	48,000
Iowa 2030C1 Franklin	85,000
Minnesota 2055F1 Watonwan	110,000
North Carolina 2003B1 Wilson Public	151,000
North Carolina 2023E1 Caldwell	316,100
Ohio 2042D1 Darke	26,000
Ohio 2074D1 Butler	32,000
Oklahoma 2022D1 Cotton	120,000
South Carolina 2038B1 Oconee	80,000
Tennessee 2028A2 Paris Public	15,000
Utah 2008G3 Duchesne	50,000
Wyoming 2021A1 Carbon	314,000

[SEAL] HARRY SLATTERY,
Administrator.

[F. R. Doc. 41–7648; Filed, October 11, 1941; 11:38 a. m.]

Surplus Marketing Administration.

[Docket No. AO 160]

NOTICE OF HEARING WITH RESPECT TO A PROPOSED MARKETING AGREEMENT AND A PROPOSED ORDER REGULATING THE HANDLING OF MILK IN THE PHILADELPHIA, PENNSYLVANIA, MARKETING AREA

Notice is hereby given of a hearing to be held in the Roof Garden, Adelphia Hotel, Philadelphia, Pennsylvania, beginning at 10:00 a. m., e. s. t., October 23, 1941, on a proposed marketing agreement and order prepared and proposed by the Interstate Milk Producers Cooperative, Inc., and designed to regulate such handling of milk in the city and county of Philadelphia; in the county of Delaware; in the townships of Westtown, Thornbury, West Goshen, East Goshen, Willistown, and Easttown in Chester County; in the townships of Upper Merion, Lower Merion, Radnor, Haverford, Whitemarsh, Plymouth, Springfield, Abington, Moreland, Upper Dublin, Horsham, Gwynedd, Montgomery, Whitpain, Worcester, Norristown, Lower Providence, Upper Providence, Limerick, Towanencin, Lower Salford, Upper Salford, Hatfield, and Franconia in Montgomery County; and in the townships of Warminster, Southampton, Northampton, Bensalem, Bristol, Falls, Middletown, Newtown, and Lower Makefield in Bucks County, all in the Commonwealth of Pennsylvania (which area is hereinafter referred to as the "Philadelphia, Pennsylvania, marketing area") as is in

the current of interstate commerce, or which directly burdens, obstructs, or affects interstate commerce.

This notice is given pursuant to the provisions of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, and of the General Regulations, Series A, No. 1, as amended, of the Agricultural Adjustment Administration, United States Department of Agriculture.

This public hearing is for the purpose of receiving evidence (1) as to whether marketing conditions for such handling of milk in the Philadelphia, Pennsylvania, marketing area as is in the current of interstate commerce or which directly burdens, obstructs, or affects interstate commerce are such as to necessitate regulation, jointly with the Commonwealth of Pennsylvania or otherwise, of the handling of such milk in order that the declared policy of the act may be effectuated, and (2) as to the specific provisions which a marketing agreement and order should contain.

The proposed marketing agreement and order provide in detail for: (a) delineating the scope of the regulation by means of defining the terms "marketing area", "producer", and "handler"; (b) selection of a market administrator; (c) classification of milk; (d) minimum prices; (e) reports of handlers; (f) payments to producers through the use of individual handler pools; (g) expenses of administration, and (h) other formal provisions usually included in marketing agreements and orders.

It is hereby determined that an emergency exists in the Philadelphia, Pennsylvania, marketing area which requires a shorter period of notice than fifteen (15) days, and it is hereby determined that the period of notice given is reasonable under the circumstances.

Copies of the proposed marketing agreement and order may be obtained from the Hearing Clerk, Office of the Solicitor, United States Department of Agriculture, Washington, D. C., in Room 0310 South Building, or may be there inspected.

Dated: October 10, 1941.

[SEAL] CLAUDE R. WICKARD,
Secretary of Agriculture.

[F. R. Doc. 41-7646; Filed, October 11, 1941; 11:38 a. m.]

DEPARTMENT OF LABOR.

Wage and Hour Division.

NOTICE OF OPPORTUNITY TO PETITION FOR REVIEW OF THE DETERMINATION IN THE MATTER OF THE APPLICATION FOR THE EXEMPTION OF THE FLAT WAREHOUSING OF GRAIN AND THE STORAGE OF OTHER AGRICULTURAL COMMODITIES FROM THE MAXIMUM HOURS PROVISIONS OF THE FAIR LABOR STANDARDS ACT OF 1938 AS AN INDUSTRY OF A SEASONAL NATURE

Whereas the California Warehousemen's Association filed an application, dated August 12, 1940, for the exemption of the flat warehousing of grain and the storage of other agricultural commodities as an industry of a seasonal nature, pursuant to section 7 (b) (3) of the Act and Part 526, as amended, of the regulations issued thereunder; and

Whereas at the time that the said application was filed there was pending before the Wage and Hour Division the application of the National Grain Trade Council and sundry other parties for the exemption of the receiving of grain, soy beans, flaxseed, and buckwheat into grain elevators as industries of a seasonal nature, pursuant to section 7 (b) (3) of the Act and Part 526, as amended, of the regulations issued thereunder; and

Whereas the said application of the California Warehousemen's Association was made part of the record of, and was considered in connection with, the hearing held in Chicago, Illinois, on December 9, 1940, before Mr. Burton D. Seeley, Presiding Officer, in the matter of the said application of the National Grain Trade Council and sundry other parties; and

Whereas in his findings and determination in regard to the exemption of the receiving of grain, soy beans, flaxseed, and buckwheat into grain elevators from the maximum hours provisions of the Fair Labor Standards Act of 1938 as industries of a seasonal nature, signed April 11, 1941, the said Burton D. Seeley found that there was insufficient evidence in the record upon which to base a determination with respect to the exemption of the flat warehousing of grain in sacks; and

Whereas upon receiving a petition from the said California Warehousemen's Association for a rehearing, the Administrator of the Wage and Hour Division remanded the matter of the flat warehousing of grain in California and in other western states to the Director of the Hearings Branch of the Wage and Hour Division for the purpose of holding such rehearing; and

Whereas the Administrator gave notice of a public hearing to be held at the Humboldt Bank Building, San Francisco, California, on June 2, 1941, before Mr. Harold Stein, an authorized representative of the Administrator, who was authorized to take testimony, hear argument, and determine:

Whether the flat warehousing of grain and the storage of other agricultural commodities in California and other western states is a branch or branches of an industry and of a seasonal nature within the meaning of section 7 (b) (3) of the Act and Part 526, as amended, of the regulations issued thereunder, and if so, the appropriate limits of said branch or branches of the industry.

Whereas following such hearing, the said Harold Stein duly made his findings of fact and determined as follows:

1. A large proportion of the grain stored in the States of Washington, Oregon, Idaho, and California, including rough or "paddy" rice in California, is stored in sacks in "flat" warehouses.

2. The flat warehousing of grain is distinguishable from the storing of grain in bulk by its geographical concentration and by differences in physical facilities and operating techniques and may be considered as a separable branch of the grain storing industry.

3. Such flat warehouses receive for storing 50 percent or more of their annual volume of grain in a period or periods aggregating 14 workweeks.

4. The flat warehousing of grain including rice in the States of California, Washington, Oregon, and Idaho is of a seasonal nature within the meaning of section 7 (b) (3) of the Fair Labor Standards Act and of Part 526 of the regulations issued thereunder.

Whereas said findings and determination were duly filed with the Administrator on September 23, 1941, and are now on file in Room 5418, Department of Labor Building, Washington, D. C., and are available for examination by all interested parties.

Now, therefore, pursuant to the provisions of § 526.7 of the aforesaid regulations, notice is hereby given that any person aggrieved by the said determination may, within fifteen days after the date that this notice appears in the FEDERAL REGISTER, file a petition with the Administrator requesting that he review the action of the said representative upon the record of hearing held before the said representative.

Signed at Washington, D. C., this 6th day of October 1941.

PHILIP B. FLEMING,
Administrator.

[F. R. Doc. 41-7688; Filed, October 13, 1941; 11:49 a. m.]

[Administrative Order No. 129]

DISSOLVING THE SPECIAL INDUSTRY COMMITTEE FOR PUERTO RICO

Whereas the Administrator by Administrative Order No. 58 dated August 1, 1940, appointed the Special Industry Committee for Puerto Rico; and

Whereas the Committee has duly investigated conditions in industries in Puerto Rico and recommended minimum wage rates therefor; and

Whereas the Administrator has approved or disapproved such recommendations and accordingly issued appropriate wage orders carrying such minimum rates into effect; and

Whereas the functions of this Committee have now been completed;

Now, therefore, it is ordered, That the Special Industry Committee for Puerto Rico be and it hereby is dissolved.

Signed at Washington, D. C., this 6th day of October 1941.

PHILIP B. FLEMING,
Administrator.

[F. R. Doc. 41-7689; Filed, October 13, 1941; 11:49 a. m.]

NOTICE OF HEARING IN THE MATTER OF EMPLOYMENT OF LEARNERS AT LESS THAN THE MINIMUM WAGE RATE IN THE DRUG, MEDICINE, AND TOILET PREPARATIONS INDUSTRY

Whereas, the Administrator of the Wage and Hour Division, in an opinion entitled "Finding and Opinion of the Administrator in the Matter of the Recommendation of Industry Committee No. 19 for a Minimum Wage Rate in the Drug, Medicine, and Toilet Preparations Industry," dated June 14, 1941, duly approved the recommendation of the said Industry, to become effective July 7, 1941, entitled "Part 600, Minimum Wage Rate in the Drug, Medicine, and Toilet Preparations Industry," providing for wages at the rate of not less than 40 cents per hour to be paid under section 6 of the Act by every employer to each of his employees in the Drug, Medicine, and Toilet Preparations Industry who is engaged in commerce or in the production of goods for commerce; and

Whereas applications have been made by the Toilet Goods Association, Inc. and sundry other parties under section 14 of the Fair Labor Standards Act of 1938, 52 Stat. 1060, and Regulations, Part 522, as amended (Regulations Applicable to the Employment of Learners pursuant to section 14 of the Fair Labor Standards Act—Title 29, Labor, Chapter V, Wage and Hour Division) issued by the Administrator thereunder for permission to employ learners in the said industry at wages less than the applicable minimum wage specified in section 6 of the Act;

Now, therefore, pursuant to the said Act and § 522.4 of the said Regulations, notice is hereby given of a public hearing to be held in Room 3229, U. S. Department of Labor, 14th Street and Constitution Avenue, Northwest, Washington, D. C., to commence at 10:00 A. M. on October 27, 1941, before Alex G. Nordholm of the Hearings Branch of the Wage and Hour Division, hereby duly authorized as Presiding Officer to conduct said hearing, to take testimony for the purpose of determining:

(a) What, if any, occupation or occupations in the Drug, Medicine, and Toilet Preparations Industry require a learning period, and if any occupation is found to require a learning period;

(b) the factors which may have a bearing upon curtailment of opportunities for employment within the Drug, Medicine, and Toilet Preparations Industry; and

(c) under what limitations as to wages, time, number, proportion, and length of service special certificates may be issued for the employment of learners in the Drug, Medicine, and Toilet Preparations Industry.

At this hearing opportunity to present evidence relevant to above questions will be afforded any interested person, provided the Presiding Officer shall have received from such person, prior to noon, Saturday, October 25, 1941, a notice of intention to appear, setting forth his name and address, the company or organization which he represents, and the approximate length of time required for such presentation. Any interested party unable to appear in person may file a brief or a statement which will be considered if received by October 25, 1941.

As used in this notice, the term "drug, medicine, and toilet preparations industry" is defined as follows:

The manufacture or packaging of any one or more of the following products:

(1) Drugs or medicinal preparations (other than food) intended for internal or external use in the diagnosis, treatment, or prevention of disease in, or to affect the structure or any function of, the body of man or other animals, or

(2) Dentifrices, cosmetics, perfume, or other preparations designed or intended for external application to the person for the purpose of cleansing, improving the appearance of, or refreshing the person,

(3) *Provided*, That this definition shall not include the manufacture or packaging of shaving cream, shampoo, essential (volatile) oils, glycerine, and soap, or the milling or packaging without further processing of crude botanical drugs.

The definition of the Drug, Medicine, and Toilet Preparations Industry covers all occupations in the Industry which are necessary to the production of the articles specified in the definition including clerical, maintenance, shipping, and selling occupations: *Provided, however*, That there shall not be included (a) in establishments, the greater part of whose sales or sales of articles purchased for resale, employees other than those who are engaged directly in the manufacturing or the packaging in consumer packages or products covered by this definition, and (b) employees of a manufacturer who are engaged exclusively in marketing and distributing products of the Industry which have been purchased for resale.

Signed at Washington, D. C., this 11th day of October 1941.

BAIRD SNYDER III,
Acting Administrator.

[F. R. Doc. 41-7690; Filed, October 13, 1941; 11:50 a. m.]

NOTICE OF HEARING ON MINIMUM WAGE RECOMMENDATION OF INDUSTRY COMMITTEE NO. 33 FOR THE PASSENGER MOTOR CARRIER INDUSTRY

To be held October 30, 1941, at Washington, D. C.

Whereas, by Administrative Order No. 117, dated July 8, 1941, the Administrator of the Wage and Hour Division, United States Department of Labor, acting pursuant to section 5 (b) of the Fair Labor Standards Act of 1938, appointed Industry Committee No. 33 for the Passenger Motor Carrier Industry, composed of an equal number of representatives of the public, employers in the industry, and employees in the industry, selected with due regard to the geographical regions in which the industry is carried on; and

Whereas, Industry Committee No. 33, on September 4, 1941, recommended a minimum wage rate for the Passenger Motor Carrier Industry and duly adopted a report containing said recommendation and filed its report with the Administrator in accordance with section 8 (d) of the Act and § 511.19 of the regulations issued under the Act; and

Whereas, the Administrator is required by section 8 (d) of the Act, after giving due notice and an opportunity to be heard to interested persons, to approve and carry into effect by order the recommendation of Industry Committee No. 33 if he finds that the recommendation is made in accordance with law, is supported by the evidence adduced at the hearing before him and, taking into consideration the same factors as are required to be considered by the Industry Committee, will carry out the purposes of the Act; and, if he finds otherwise, to disapprove such recommendation;

Now, therefore, notice is hereby given:

I. Industry Committee No. 33 for the Passenger Motor Carrier Industry has made the following recommendation for the minimum wage rate to be paid to employees in the Passenger Motor Carrier Industry:

Every employer shall pay not less than 40 cents per hour to each of his employees who is engaged in commerce or in the production of goods for commerce in the Passenger Motor Carrier Industry, as defined in Administrative Order No. 117, dated July 8, 1941.

II. The definition of the Passenger Motor Carrier Industry as set forth in Administrative Order No. 117 is as follows:

The industry carried on by any person who holds himself out to the general public to engage in, or under individual contracts or agreements engages in, the transportation by motor vehicle of passengers in interstate commerce over regular or irregular routes or under individual contracts or agreements engages in transportation of passengers by motor vehicle necessary to the production of goods for interstate commerce. The term does not include the industry carried on by any local trolley or motor bus carrier or that part of the industry carried on by any carrier of passengers by rail or water or any company which is subject to Administrative Order No. 34 defining the Railroad Carrier Industry.

The definition of the Passenger Motor Carrier Industry covers all occupations in the industry including clerical, maintenance, shipping, and selling occupations: *Provided, however*, That where an employee covered by this definition is employed during the same workweek at two or more different rates of pay, he

shall be paid the highest of such rates for such workweek unless records concerning his employment are kept by his employer in accordance with applicable regulations of the Wage and Hour Division.

III. The full text of the report and recommendation of Industry Committee No. 33 are and will be available for inspection by any person between the hours of 9:00 a. m. and 4:30 p. m. at the following offices of the Wage and Hour Division, United States Department of Labor:

Boston, Massachusetts, Old South Building, 294 Washington Street.

New York, New York, 341 Ninth Avenue.

Newark, New Jersey, Essex Building, 31 Clinton Street.

Philadelphia, Pennsylvania, 1216 Widener Building, Chestnut & Juniper Streets.

Pittsburgh, Pennsylvania, 219 Old Post Office Building, Fourth and Smithfield Streets.

Richmond, Virginia, 215 Richmond Trust Building, 627 East Main Street.

Baltimore, Maryland, 201 North Calvert Street.

Raleigh, North Carolina, North Carolina Department of Labor, Salisbury and Edenton Streets.

Columbia, South Carolina, Federal Land Bank Building, Hampton & Marion Streets.

Atlanta, Georgia, Witt Building, 249 Peachtree Street, N. E.

Jacksonville, Florida, 456 New Post Office Building.

Birmingham, Alabama, 1007 Comer Building, 2nd Avenue & 21st Street.

New Orleans, Louisiana, 916 Union Building.

Jackson, Mississippi, 402 Deposit Guaranty Bank Building, 102 Lamar Street.

Nashville, Tennessee, 509 Medical Arts Building, 115 Seventh Avenue, NW.

Cleveland, Ohio, Main Post Office, W. 3rd and Prospect Avenue.

Cincinnati, Ohio, 1312 Traction Building, 5th and Walnut Streets.

Detroit, Michigan, 348 Federal Building.

Chicago, Illinois, 1200 Merchandise Mart, 222 W. North Bank Drive.

Minneapolis, Minnesota, 406 Pence Building, 730 Hennepin Avenue.

Kansas City, Missouri, 504 Title & Trust Building, Tenth & Walnut Streets.

St. Louis, Missouri, 100 Old Federal Building.

Denver, Colorado, 300 Chamber of Commerce Building, 1726 Champa Street.

Dallas, Texas, Rio Grande National Building, 1100 Main Street.

San Francisco, California, Room 500, Humboldt Bank Building, 785 Market Street.

Los Angeles, California, 417 H. W. Hellman Building.

Seattle, Washington, 305 Post Office Building, 3rd Avenue and Union Street.

San Juan, Puerto Rico, Post Office Box 112.

Washington, District of Columbia, Department of Labor, 4th Floor.

Copies of the Committee's report and recommendation and of the dissenting statements filed by four members of the Committee, are available for inspection at, and may be obtained by writing to, the office of the Wage and Hour Division, United States Department of Labor, Washington, D. C.

IV. A public hearing for the purpose of taking evidence on the question of whether the recommendation of Industry Committee No. 33 shall be approved or disapproved pursuant to Section 8 of the Act, will be held on October 30, 1941, at 10:00 a. m. in Room 3229, United States Department of Labor Building, Fourteenth Street and Constitution Avenue NW., Washington, D. C., before Major Robert N. Campbell, Presiding Officer.

V. Any interested person supporting or opposing the recommendation of Industry Committee No. 33 may appear at the hearing to offer evidence either on his own behalf or on behalf of any other person, if not later than October 24, 1941, he files with the Administrator by mail or otherwise at Washington, D. C., a notice of his intent to appear, which shall contain the following information:

1. The name and address of the person appearing.

2. If such person is appearing in a representative capacity, the name and address of the person or persons he is representing.

3. Whether such person proposes to appear for or against the recommendations of the Committee.

4. The approximate length of time requested for his presentation.

VI. Any interested person may secure further information concerning the aforesaid hearing by inquiry directed to the Administrator of the Wage and Hour Division, United States Department of Labor, Washington, D. C., or by consulting with attorneys representing the Administrator who will be available for that purpose at the office of the Wage and Hour Division in Washington, D. C.

VII. Copies of the following documents relating to the Passenger Motor Carrier Industry will be available for inspection by any interested person between the hours of 9:00 a. m. and 4:30 p. m. at the offices of the Wage and Hour Division enumerated in paragraph III above:

Report entitled *Passenger Motor Carrier Industry*, dated August 1941, prepared by the Research and Statistics Branch, Wage and Hour Division, United States Department of Labor.

Release *Indexes of Costs of Living in 34 Cities for April 15, May 15, and June 15, 1941*, prepared by the Bureau of Labor Statistics, United States Department of Labor.

Release *Living Costs in Large Cities, July 15, 1941*, prepared by the Bureau of Labor Statistics, United States Department of Labor.

Release *Estimated Inter-City Differences in Cost of Living, June 15, 1941*, prepared by the Bureau of Labor Statistics, United States Department of Labor.

Bulletin, Serial No. R–1298, entitled *Changes in Cost of Living*, dated March 15, 1941, prepared by the Bureau of Labor Statistics, United States Department of Labor.

Bulletin, Serial No. R–1156, entitled *The Bureau of Labor Statistics' New Index of Cost of Living*, dated March 15, 1940, prepared by the Bureau of Labor Statistics, United States Department of Labor.

Bulletin, Serial No. R–963, entitled *Differences in Living Costs in Northern and Southern Cities*, reprinted from the *Monthly Labor Review*, July 1939, by the Bureau of Labor Statistics, United States Department of Labor.

The record made at the public hearing on the Passenger Motor Carrier Industry before Industry Committee No. 33 may be examined by any interested person at the office of the Wage and Hour Division, United States Department of Labor, Washington, D. C., and may be obtained at prescribed rates from the official reporter of the Wage and Hour Division, United States Department of Labor, Washington, D. C. The foregoing reports and record will be offered in evidence at the public hearing herein referred to.

VIII. The hearing will be conducted in accordance with the following rules of procedure subject to such subsequent modification by the Administrator or the Presiding Officer as are deemed appropriate:

1. The hearing shall be stenographically reported and a transcript made which shall be available at prescribed rates to any person upon request made to the official reporter of the Wage and Hour Division, United States Department of Labor, Washington, D. C.

2. In order to maintain orderly and expeditious procedure, each person filing a Notice to Appear shall be notified, if practicable of the approximate day and the place at which he may offer evidence at the hearing. If such person does not appear at the time set in the notice, he will not be permitted to offer evidence at any other time except by special permission of the Presiding Officer.

3. At the discretion of the Presiding Officer, the hearing may be continued from day to day, or adjourned to a later date, or to a different place, by announcement thereof at the hearing by the Presiding Officer, or by other appropriate notice.

4. At any stage of the hearing, the Presiding Officer may call for further evidence upon any matter. After the Presiding Officer has closed the hearing before him, no further evidence shall be taken, except at the request of the

Administrator, unless provision has been made at the hearing for the later receipt of such evidence. In the event that the Administrator shall cause the hearing to be reopened for the purpose of receiving further evidence, due and reasonable notice of the time and place fixed for such further taking of testimony shall be given to all persons who have filed a notice of intention to appear at the hearing.

5. All evidence must be presented under oath or affirmation.

6. Written documents or exhibits, except as otherwise permitted by the Presiding Officer, must be offered in evidence by a person who is prepared to testify as to the authenticity and trustworthiness thereof, and who shall, at the time of offering the documentary exhibit, make a brief statement as to the contents and manner of preparation thereof.

7. Written documents and exhibits shall be tendered in duplicate and the persons preparing the same shall be prepared to supply additional copies if such are ordered by the Presiding Officer. Where evidence is embraced in a document containing matter not intended to be put in evidence, such a document will not be received, but the person offering the same may present to the Presiding Officer the original document together with two copies of those portions of the document intended to be put in evidence. Upon presentation of such copies in proper form, the copies will be received in evidence.

8. Subpoenas requiring the attendance of witnesses or the presentation of a document from any place in the United States at any designated place of hearing may be issued by the Administrator at his discretion, and any person appearing in the proceeding may apply in writing for the issuance by the Administrator of the subpoena. Such applications shall be timely and shall identify exactly the witness or document and state fully the nature of the evidence proposed to be secured.

9. Witnesses summoned by the Administrator shall be paid the same fees and mileage as are paid witnesses in the courts of the United States. Witness fees and mileage shall be paid by the party at whose instance witnesses appear, and the Administrator before issuing subpoena may require a deposit of an amount adequate to cover the fees and mileage involved.

10. The rules of evidence prevailing in courts of law or equity shall not be controlling.

11. The Presiding Officer may, at his discretion, permit any person appearing in the proceeding to cross-examine any witness offered by another person in so far as is practicable, and to object to the admission or exclusion of evidence by the Presiding Officer. Requests for permission to cross-examine a witness offered by another person and objections to the admission or exclusion of evidence shall be stated briefly with the reasons for such request or the ground of objection relied on. Such requests or objections shall become a part of the record, but the record shall not include argument thereon except as ordered by the Presiding Officer. Objections to the approval of the Committee's recommendation and to the promulgation of a wage order based upon such approval must be made at the hearing before the Presiding Officer.

12. Before the close of the hearing the Presiding Officer shall receive written requests from persons appearing in the proceeding for permission to make oral arguments before the Administrator upon the matter in issue. These requests will be forwarded to the Administrator by the Presiding Officer with the record of the proceedings. If the Administrator, in his discretion allows the request, he shall give such notice thereof as he deems suitable to all persons appearing in the proceeding, and shall designate the time and place at which the oral arguments shall be heard. If such requests are allowed, all persons appearing at the hearing will be given opportunity to present oral argument.

13. Briefs (12 copies) may be submitted to the Administrator following the close of the hearings, by any persons appearing therein. Notice of the final dates for filing such briefs shall be given by the Administrator in such manner as shall be deemed suitable by him.

14. On the close of the hearing the Presiding Officer shall forthwith file a complete record of the proceedings with the Administrator. The Presiding Officer shall not file an intermediate report unless so directed by the Administrator. If a report is filed, it shall be advisory only and have not binding effect upon the Administrator.

15. No order issued as a result of the hearing will take effect until after due notice is given of the issuance thereof by publication in the FEDERAL REGISTER.

Signed at Washington, D. C., this 11th day of October 1941.

BAIRD SNYDER III,
Acting Administrator.

[F. R. Doc. 41-7691; Filed, October 13, 1941; 11:50 a. m.]

NOTICE OF ISSUANCE OF SPECIAL CERTIFICATES FOR THE EMPLOYMENT OF LEARNERS UNDER THE FAIR LABOR STANDARDS ACT OF 1938

Notice is hereby given that Special Certificates authorizing the employment of learners at hourly wages lower than the minimum wage rate applicable under section 6 of the Act are issued under section 14 thereof, Part 522 of the Regulations issued thereunder (August 16, 1940, 5 F.R. 2862) and the Determination and Order or Regulation listed below and published in the FEDERAL REGISTER as here stated.

Apparel Learner Regulations, September 7, 1940 (5 F.R. 3591).

Artificial Flowers and Feathers Learner Regulations, October 24, 1940 (5 F.R. 4203).

Glove Findings and Determination of February 20, 1940, as amended by Administrative Order of September 20, 1940 (5 F.R. 3748).

Hosiery Learner Regulations, September 4, 1940 (5 F.R. 3530).

Independent Telephone Learner Regulations, September 27, 1940 (5 F.R. 3829).

Knitted Wear Learner Regulations, October 10, 1940 (5 F.R. 3982).

Millinery Learner Regulations, Custom Made and Popular Priced, August 29, 1940 (5 F.R. 3392, 3393).

Textile Learner Regulations, May 16, 1941 (6 F.R. 2446).

Woolen Learner Regulations, October 30, 1940 (5 F.R. 4302).

The employment of learners under these Certificates is limited to the terms and conditions as to the occupations, learning periods, minimum wage rates, et cetera, specified in the Determination and Order or Regulation for the industry designated above and indicated opposite the employer's name. These Certificates become effective October 13, 1941. The Certificates may be cancelled in the manner provided in the Regulations and as indicated in the Certificates. Any person aggrieved by the issuance of any of these Certificates may seek a review or reconsideration thereof.

NAME AND ADDRESS OF FIRM, INDUSTRY, PRODUCT, NUMBER OF LEARNERS AND EXPIRATION DATE

The following certificates at the rate of 75% of the applicable hourly minimum wage.

Apparel

Apollo Shirt Company, Inc., 130 Fifth Avenue, New York, New York; Shirts; 10 learners; April 13, 1942.

B & O Manufacturing Company, 16 South Eutaw Street, Baltimore, Maryland; Lumber Jackets, Herringbone Twill Jackets; 10 percent; January 26, 1942.

Bayard Sportswear Company, 40 Harrison Avenue, Boston, Massachusetts; Men's Sport Trousers, Golf Jackets and Pants; 2 learners; October 13, 1942.

Michael Berkowitz Company, Inc., Frostburg, Maryland; Shirts and Pajamas; 10 percent; October 13, 1942.

Bethlehem Shirt Factory, 1624–26 East Tenth Street, Bethlehem, Pennsylvania; Work Shirts; 4 learners; October 13, 1942.

A. A. and H. Bezozi, Inc., 352 Fourth Avenue, New York, New York; Infants' Caps and Bonnets; 10 percent; April 6, 1942.

Max Blank, 432 Market Street, Philadelphia, Pennsylvania; Cotton Wash Dresses and Blouses; 5 learners; October 13, 1942.

Blossom Dress Company, 315 Cherry Street, Scranton, Pennsylvania; Dresses; 10 percent; October 13, 1942.

"Bundle O'Joy Baby Wear Company, 49 S. Pennsylvania Avenue, Wilkes-Barre, Pennsylvania; Infants' Flannelette and Crepe Kimonos, Gertrudes and Binders; 10 learners; October 13, 1942.

Capital City Clothing Company, #1 Bruenig Avenue, Trenton, New Jersey;

Men's Sack Coats, Sport Coats, Overcoats, Topcoats; 5 percent; October 13, 1942.

Cluett, Peabody and Company, Inc., Corinth, New York; Dress Shirts, Sport Shirts; 10 percent; October 13, 1942.

Cluett, Peabody and Company, Inc., 433 River Street, Troy, New York; Collars, Dress and Sport Shirts; 10 percent; October 13, 1942.

Cluett, Peabody and Company, Inc., Murphy Avenue, Atlanta, Georgia; Dress and Sport Shirts; 10 percent; October 13, 1942.

Cookeville Shirt Company, Walnut Street, Cookeville, Tennessee; Work Shirts; 10 percent; October 13, 1942.

Cortland Corset Company, East Court Street, Cortland, New York; Corsets and Foundation Garments; 10 percent; October 13, 1942.

J. H. Cownie Company, 3rd and Vine Streets, Des Moines, Iowa; Cotton Pants, Leather and Wool Coats; 10 learners; October 13, 1942.

Dorchester Pants Company, Cambridge, Maryland; Work Pants and Work Shirts; 5 learners; October 13, 1942.

Dunn Manufacturing Company, 211–21 North 13th Street, Philadelphia, Pennsylvania; Dresses; 10 learners; October 13, 1942.

Durable Sportswear Company, Inc., 47 Broadway, Lynbrook, New York; Leather Jackets; 5 learners; October 13, 1942.

Duti-Duds, Incorporated, 1117 Clay Street, Lynchburg, Virginia; Cotton Uniform Dresses, Women's Pajamas and Aprons; 5 learners; October 13, 1942.

Elk Brand Shirt and Overall Company, N. E. Cor. 11th and Campbell Streets, Hopkinsville, Kentucky; Overalls and Denim Coats, Work Shirts, Work Pants, Ensembles; 10 learners; October 13, 1942.

Bert Finch Manufacturing Company, 407 East Pico, Los Angeles, California; Wash Dresses; 5 learners; October 13, 1942.

Fineform Brassiere Company, Inc., 31 West 27th Street, New York, New York; Brassieres, Girdles, Corsets, Garter Belts; 10 percent; January 26, 1942.

D. Gamson and Company, 1105 West Chicago Avenue, Chicago, Illinois; Aprons; 15 learners; April 6, 1942.

Gay Belle Manufacturing Company, Inc., 16 E. 17th Street, New York, New York; Aprons; 2 learners; April 13, 1942.

Pauline Gordon, Incorporated, 112 Madison Avenue, New York, New York; Brassieres and Corsets; 10 percent; January 12, 1942.

Hasson Dress Company, 151 Newark Avenue, Jersey City, New Jersey; Dresses; 5 learners; October 13, 1942.

Hollywood Maxwell Company, 306 North Main Street, Cameron, Missouri; Brassieres; 5 learners; October 13, 1942.

Hollywood Maxwell Company, Front Street, Natchitoches, Louisiana; Brassieres; 2 learners; October 13, 1942.

Hoosick Falls Undergarment Corporation, Hoosick Street, Hoosick Falls, New York; Woven Slips; 10 learners; October 13, 1942.

J. G. Sportswear, 129 W. 3rd Street, Los Angeles, California; Ladies' Slack Suits; 5 learners; October 13, 1942.

Jacobson Brothers Dresses, Inc., 1304 Arch Street, Philadelphia, Pennsylvania; Dresses; 10 percent; October 13, 1942.

Kleason Company, Jefferson Avenue, Moundsville, West Virginia; Single Cotton Pants; 10 percent; October 13, 1942.

Knickerbocker Manufacturing Company, Inc., West Main Street, West Point, Mississippi; Men's Pajamas, Woven Underwear; 10 percent; October 13, 1942.

Kramer Pants Company, 711 Main Street, Asbury Park, N. J.; Boys' Pants; 5 learners; October 13, 1942.

T. S. Lankford and Sons, 151½ Walnut Street, Abilene, Texas; Men's Pants, Shirts, Coveralls, & Work Garments; 10 percent; October 13, 1942.

Lebanon Garment Company, Inc., East Market Street, Lebanon, Tennessee; Single Pants, Cotton & Mixed; 10 percent; October 13, 1942.

H. Linsk and Company, Inc., Clayton, New Jersey; Children's Dresses; 10 learners; October 13, 1942.

H. Linsk and Company, Inc., Mantua Avenue, Woodbury, New Jersey; Dresses; 10 learners; October 13, 1942.

H. Linsk and Company, Inc., Westville, New Jersey; Dresses; 10 learners; October 13, 1942.

H. Linsk and Company, Inc., Penns Grove, New Jersey; Dresses; 10 percent; October 13, 1942.

Malouf Manufacturing Company, 146 South West Temple Street, Salt Lake City, Utah; Cotton Wash Frocks, Rayon Slips; 4 learners; October 13, 1942.

Martha Maid Manufacturing Company, Inc., 367 West Adams Street, Chicago, Illinois; Slips, Gowns, Pajamas; 10 percent; October 13, 1942.

Martindale Garment Company, Martindale, Pennsylvania; Ladies' Undergarments Under Contract; 5 learners; October 13, 1942.

Massachusetts Shirt Manufacturing Corporation, 94 Sawyer Street, New Bedford, Massachusetts; Men's Dress Shirts and Polo Shirts; 10 percent; October 13, 1942.

McMullen-Leavens Company, 51 Lawrence Street, Glens Falls, New York; Shirts and Dresses; 10 percent; October 13, 1942.

Model Blouse Company, Mulberry Street, Millville, New Jersey; Boys' Shirts and Shorts; 10 percent; October 13, 1942.

The Nite Kraft Corporation, 451 South Jefferson Street, Orange, New Jersey; Children's & Women's Sleeping Apparel; 10 percent; October 13, 1942.

Normandin Brothers Company, 2715 South Main Street, Los Angeles, California; Robes and Sportswear; 10 learners; October 13, 1942.

Picayune Shirt Factory, Inc., Goodyear Boulevard, Picayune, Mississippi; Work Shirts; 10 percent; October 13, 1942.

Pleasant Dress Company, 145 Thorndike Street, Lowell, Massachusetts; Dresses; 10 learners; October 13, 1942.

Ram Manufacturing Corporation, 44 West 28th Street, New York, New York; Jackets; 20 learners; January 26, 1942.

Rite Form Corset Company, Inc., 635 Sixth Avenue, New York, New York; Corsets, Brassieres, Girdles; 10 percent; January 26, 1942.

J. Rogat Shirt Company, 201 Pennsylvania Avenue, Bangor, Pennsylvania; Dress Shirts; 10 percent; October 13, 1942.

Wiley Samuelson, 325 W. Jackson Street, Chicago, Illinois; Women's Apparel; 3 learners; October 13, 1942.

Savada Brothers, Baltimore Street, Glen Rock, Pennsylvania; Boys' Pajamas; 5 percent; October 13, 1942.

Shawnee Garment Company, 110 Downing Street, Plymouth, Pennsylvania; Dresses; 10 learners; October 13, 1942.

Smart Maid Company, Inc., 1421 Wallace Street, Philadelphia, Pennsylvania; Children's Dresses; 10 percent; October 13, 1942.

Rudolph Stern Dress Company, 55–59 E. Main Street, Columbus, Ohio; Dresses; 5 learners; October 13, 1942.

The Strouse, Adler Company, 78 Olive Street, New Haven, Connecticut; Corsets; 12 learners; October 13, 1942.

The Superior Uniform Company, Inc., Cornelius, North Carolina; Sport Shirts; 30 learners; March 13, 1942.

Tailor Maid Blouses, 127 East Ninth Street, Los Angeles, California; Blouses; 5 percent; October 13, 1942.

Taneytown Manufacturing Company, Broad Street, Taneytown, Maryland; Coats, Vests, Pants; 5 percent; October 13, 1942.

Tiny Town Togs, Inc., 2 River Street, Troy, New York; Dresses; 10 percent; October 13, 1942.

Traficante and Botto, 1226 S. 8th Street, Philadelphia, Pennsylvania; Cotton Dresses and Jackets; 3 learners; October 13, 1942.

Universal Hat and Cap Manufacturing Company, 231 South Green Street, Chicago, Illinois; Men's & Boys' Headwear; 3 learners; October 13, 1942.

Westboro Underwear Company, Westboro, Massachusetts; Ladies' Underwear and Nightwear; 5 learners; October 13, 1942.

Winer Manufacturing Company, Inc., 231 Condit Street, Hammond, Indiana; Shirts and Trousers; 10 percent; October 13, 1942.

Apex Shoulder Pad Company, 515 Broadway, New York, New York; Shoulder Pads; 5 learners; March 23, 1942.

Gloves

Elmer Little and Son, 10–14 Glenwood Avenue, Johnstown, New York; Leather Dress Gloves; 2 learners; October 13, 1942.

Springfield Knitting Mills Company, 36 New Dwight Street, Springfield, Mas-

sachusetts; Knit Wool Gloves; 60 learners; April 13, 1942.

Hosiery

Blackstone Hosiery Mills, Inc., Valdese, North Carolina; Seamless Hosiery; 5 percent; October 13, 1942.

Damascus Hosiery Mills, Inc., Damascus, Virginia; Seamless Hosiery; 5 learners; October 13, 1942.

Eva's Hosiery Repair Shop, 152 N. 9th Street, Reading, Pennsylvania; Full Fashioned Hosiery; 4 learners; April 13, 1942.

John L. Feab and Sons, 1635 Poplar Street, Port Huron, Michigan; Seamless Hosiery; 5 percent; October 13, 1942.

Full Knit Hosiery Mills, Inc., Highway 70, Burlington, North Carolina; Seamless Hosiery; 7 learners; October 13, 1942.

Gray Line Hosiery Company, Chambersburg, Pennsylvania; Seamless Hosiery; 5 percent; October 13, 1942.

Maywood Silk Hosiery Mills, Inc., Second Street, Cordele, Georgia; Full Fashioned Hosiery; 5 learners; October 13, 1942.

Nelson Knitting Company, 909–911 South Main Street, Rockford, Illinois; Seamless Hosiery; 5 percent; October 13, 1942.

Shendoah Knitting Mills, Inc., Shenandoah, Virginia; Full Fashioned Hosiery; 5 percent; October 13, 1942.

Silkay Hosiery Mills, 3rd and Turner Streets, Allentown, Pennsylvania; Full Fashioned Hosiery; 5 learners; June 13, 1942.

Waldensian Hosiery Mills, Inc., Valdese, North Carolina; Seamless Hosiery; 5 percent; October 13, 1942.

Signed at Washington, D. C., this 13th day of October 1941.

MERLE D. VINCENT,
Authorized Representative of the Administrator.

[F. R. Doc. 41–7692; Filed, October 13, 1941; 11:50 a. m.]

NOTICE OF ISSUANCE OF SPECIAL CERTIFICATES FOR THE EMPLOYMENT OF LEARNERS UNDER THE FAIR LABOR STANDARDS ACT OF 1938

Notice is hereby given that Special Certificates authorizing the employment of learners at hourly wages lower than the minimum rate applicable under section 6 of the Act are issued under section 14 thereof and § 522.5 (b) of the Regulations issued thereunder (August 16, 1940, 5 F.R. 2862) to the employers listed below effective October 13, 1941.

The employment of learners under these Certificates is limited to the terms and conditions as designated opposite the employer's name. These Certificates are issued upon the employers' representations that experienced workers for the learner occupations are not available for employment and that they are actually in need of learners at subminimum rates in order to prevent curtailment of opportunities for employment. The Certificates may be cancelled in the manner provided for in the Regulations and as indicated on the Certificate. Any person aggrieved by the issuance of these Certificates may seek a review or reconsideration thereof.

NAME, AND ADDRESS OF FIRM, PRODUCT, NUMBER OF LEARNERS, LEARNING PERIOD, LEARNER WAGE, LEARNER OCCUPATIONS, EXPIRATION DATE

Beyerle Manufacturing Company, 67 Forrest Street, Brooklyn, New York; Dress Shields; 10 percent; 8 weeks for any one learner (320 hours); 75 percent of the applicable minimum; Machine operators; April 13, 1942.

Louis Brosilow, Inc., 179 N. Michigan Avenue, Chicago, Illinois; Portable Lamps and Shades; Silk Shades; 3 learners; 320 hours for any one learner; 35 cents per hour; Lamp Shade Sewing; April 13, 1942.

United Pressed Products Company, 407 South Aberdeen Street, Chicago, Illinois; Converted Paper Products; Molded Paper, Phonographs; 5 learners; 4 weeks for any one learner; 30 cents per hour; Molder; November 24, 1941.

Signed at Washington, D. C., this 13th day of October 1941.

MERLE D. VINCENT,
Authorized Representative of the Administrator.

[F. R. Doc. 41–7693; Filed, October 13, 1941; 11:51 a. m.]

FEDERAL SECURITY AGENCY.

Social Security Board.

CERTIFICATION TO THE EMPLOYMENT SECURITY COMMISSION OF THE STATE OF WYOMING

The Employment Security Commission of the State of Wyoming having duly submitted to the Social Security Board, pursuant to the provisions of section 1602 (b) (3) of the Internal Revenue Code, as amended, the Wyoming employment security law; and

The Social Security Board having considered the provisions of said law to determine whether or not reduced rates of contributions are allowable thereunder under conditions fulfilling the requirements of section 1602 of the Internal Revenue Code;

The Board hereby finds that:

(1) Said law provides for a pooled fund as defined in section 1602 (c) (2) of the Internal Revenue Code; and

(2) Reduced rates of contributions under said law to such pooled fund are allowable only in accordance with the provisions of section 1602 (a) (1) of the Internal Revenue Code.

Pursuant to the provisions of section 1602 (b) (3) of the Internal Revenue Code, the Board hereby directs that the foregoing findings be certified to the Employment Security Commission of the State of Wyoming.

[SEAL] SOCIAL SECURITY BOARD,
A. J. ALTMEYER,
Chairman.

OCTOBER 3, 1941.

Approved:

PAUL V. MCNUTT,
Administrator.

OCTOBER 10, 1941.

[F. R. Doc. 41–7687; Filed, October 13, 1941; 11:33 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

[File No. 811–387]

IN THE MATTER OF UNITED GAS & ELECTRIC COMPANY

NOTICE OF AND ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C. on the 11th day of October, A. D. 1941.

An application having been duly filed by the above named applicant under and pursuant to the provisions of section 8 (f) of the Investment Company Act of 1940 for an order declaring that the applicant has ceased to be an investment company within the meaning of that Act;

It is ordered, That a hearing on such matter under the applicable provisions of the Act and the Rules and Regulations of the Commission thereunder be held on October 20, 1941, at 10:00 o'clock in the forenoon of that day in the Securities and Exchange Commission Building, 1778 Pennsylvania Avenue NW., Washington, D. C. On such day the hearing room clerk in Room 1102 will advise the interested parties where such hearing will be held.

It is further ordered, That Willis E. Monty, Esquire, or any other officer or officers of the Commission designated by it for that purpose shall preside at such hearing on such application. The officer so designated to preside at any such hearing is hereby authorized to exercise all the powers granted to the Commission under sections 41 and 42 (b) of the Investment Company Act of 1940 and to trial examiners under the Commission's Rules of Practice.

Notice of such hearing is hereby given to the above named applicant and to any other person or persons whose participation in such proceedings may be in the public interest or for the protection of investors.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 41–7680; Filed, October 13, 1941; 11:27 a. m.]

[File No. 811-271]

IN THE MATTER OF UNITED JERSEY SECURITIES CORPORATION

NOTICE OF AND ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 11th day of October, A. D. 1941.

An application having been duly filed by the above named applicant under and pursuant to the provisions of section 8 (f) of the Investment Company Act of 1940 for an order declaring that the applicant has ceased to be an investment company within the meaning of that Act;

It is ordered, That a hearing on such matter under the applicable provisions of the Act and the Rules and Regulations of the Commission thereunder be held on October 20, 1941, at 10:00 o'clock in the forenoon of that day in the Securities and Exchange Commission Building, 1778 Pennsylvania Avenue NW., Washington, D. C. On such day the hearing room clerk in Room 1102 will advise the interested parties where such hearing will be held.

It is further ordered, That Willis E. Monty, Esquire, or any other officer or officers of the Commission designated by it for that purpose shall preside at such hearing on such application. The officer so designated to preside at any such hearing is hereby authorized to exercise all the powers granted to the Commission under sections 41 and 42 (b) of the Investment Company Act of 1940 and to trial examiners under the Commission's Rules of Practice.

Notice of such hearing is hereby given to the above named applicant and to any other person or persons whose participation in such proceedings may be in the public interest or for the protection of investors.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 41-7681; Filed, October 13, 1941; 11:27 a. m.]

[File No. 70-409]

IN THE MATTER OF IOWA PUBLIC SERVICE COMPANY

NOTICE REGARDING FILING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 11th day of October, A. D. 1941

Notice is hereby given that a declaration or application (or both), has been filed with this Commission pursuant to the Public Utility Holding Company Act of 1935 by the above-named party; and

Notice is further given that any interested person may, not later than October 29, 1941, at 4:45 p. m., E. S. T., request the Commission in writing that a hearing be held on such matter, stating the reasons for such request and the nature of his interest, or may request that he be notified if the Commission should order a hearing thereon. At any time thereafter such declaration or application, as filed or as amended, may become effective or may be granted, as provided in Rule U-23 of the Rules and Regulations promulgated pursuant to said Act. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D. C.

All interested persons are referred to said declaration or application, which is on file in the office of said Commission, for a statement of the transactions therein proposed, which are summarized below:

Iowa Public Service Company, a subsidiary of Sioux City Gas and Electric Company, a registered holding company, proposes to purchase (1) substantially all of the assets, including the gas plant and gas distribution system located at Independence, Iowa, of Independence Gas Company, a subsidiary of Great Lakes Utilities Company, a registered holding company, for $55,000 cash, and (2) substantially all of the assets, including the natural gas distribution system located at LeMars, Iowa, of LeMars Gas Company, also a subsidiary of Great Lakes Utilities Company, for $70,000 cash. In addition to the cash consideration, the vendee also proposes to assume all the outstanding liabilities of the vendors (other than those owed to affiliates of the vendors).

Iowa Public Service Company proposes to pay Polk-Peterson Corporation and Carleton D. Beh Company $2,500 for their right, title and interest in and to a contract to purchase said assets.

The declaration or application recites that the company considers Sections 9 and 10 of the said Act as being applicable to such transactions.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 41-7682; Filed, October 13, 1941; 11:27 a. m.]

[File No. 59-24]

IN THE MATTER OF CITIES SERVICE COMPANY AND ITS SUBSIDIARY COMPANIES, RESPONDENTS

NOTICE OF AND ORDER SETTING DATE FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 9th day of October, A. D. 1941.

The Commission having heretofore, on July 3, 1941, instituted a proceeding pursuant to section 11 (b) (1) of the Public Utility Holding Company Act of 1935, entitled "In the Matter of Cities Service Company and Its Subsidiary Companies, Respondents," File No. 59-24, and having heretofore, on September 24, 1941, heard argument with respect to the issues in said proceeding, the simplification of such issues, the facts and issues that appear to be without substantial basis of controversy, and the order of presentation of evidence most conducive to an orderly proceeding; and

The Commission having heretofore, on August 6, 1941, heard argument in the proceeding, pursuant to section 11 (b) (1) of the Act, entitled "In the Matter of Cities Service Power & Light Company and Its Subsidiary Companies, Respondents," File No. 59-7, and having taken under advisement the matters included in said proceeding; and

Cities Service Power & Light Company and Cities Service Company having heretofore, on August 1, 1941, filed application, pursuant to section 11 (e) of the Act, for approval of a plan proposed by said applicants (File No. 30-196); and

Counsel for the respondents having requested, in the course of the aforesaid argument on September 24, 1941, that both of the said proceedings under section 11 (b) (1) of the Act and the said application under section 11 (e) of the Act be consolidated, and that the taking of evidence with respect to the proceeding pursuant to section 11 (b) (1) of the Act, entitled "In the Matter of Cities Service Company and Its Subsidiary Companies, Respondents," File No. 59-24, be deferred until hearings with respect to the said application under section 11 (e) of the Act have been held; and

Counsel for the respondents and counsel for the Public Utilities Division having stipulated that all evidence with respect to the respondents herein, contained in the record of the proceeding entitled "In the Matter of Cities Service Power & Light Company and Its Subsidiary Companies, Respondents," File No. 59-7, so far as relevant to the issues herein stated, shall be incorporated in the record of the proceeding herein, and shall be regarded as evidence duly adduced in such proceeding; and

It appearing to the Commission that disposition of the matters included in said proceedings and said application may best be made by completion of the requisite record with respect to the proceeding herein instituted on July 3, 1941, under section 11 (b) (1) of the Act, prior to consideration of the said application under section 11 (e) of the Act;

It is hereby ordered, That a hearing on the proceeding herein be held on October 28, 1941, at 10:00 A. M., at the offices of the Securities and Exchange Commission, 1778 Pennsylvania Avenue NW., Washington, D. C., in such room as may be designated on such day by the hearing room clerk in Room 1102, for the purpose of receiving evidence bearing upon the issues made by the Commission's order of July 3, 1941, and respondents' answers thereto and upon the question whether the Commission should enter an order or orders pursuant to section 11 (b) (1) of the Act; and

It is further ordered, That William W. Swift, or any other officer or officers of the Commission designated by it for that purpose, shall preside at said hearing. The officer so designated is hereby authorized to exercise all the powers

granted to the Commission under section 18 (c) of the Act and to a trial examiner under the Commission's Rules of Practice; and

It is further ordered, In the interest of expeditious procedure that all evidence with respect to the respondents herein, contained in the record of the proceeding entitled "In the Matter of Cities Service Power & Light Company and Its Subsidiary Companies, Respondents," File No. 59–7, so far as relevant to the issues herein stated, shall be incorporated in the record of the proceeding herein, and shall be regarded as evidence duly adduced in such proceeding, subject to the same objections and exceptions preserved in the record of the proceeding in which such evidence was first introduced and to such further objections and exceptions as may be made by any party to the proceeding herein; and

It is further ordered, That the evidence adduced herein, together with the evidence contained in the record of the proceeding entitled "In the Matter of Cities Service Power & Light Company and Its Subsidiary Companies, Respondents," File No. 59–7, so far as relevant to the issues which may arise upon consideration of the aforesaid application filed by respondents pursuant to section 11 (e) of the Act, File No. 30–196, shall be deemed a part of the requisite record to be made at the hearings which may be held upon the said application and shall be regarded as evidence duly adduced in such hearings, subject to the same objections and exceptions preserved in the record of the proceeding in which such evidence was first introduced and to such further objections and exceptions as may be made by any party to the hearings on the said application; and

It is further ordered, That if at any time it may appear conducive to an orderly disposition of any matter involved herein, the right be and it hereby is reserved to order a separate hearing, to close the record, or to take action on such matter prior to closing the record on any other matter involved herein: and

It is further ordered, That the aforesaid request of respondents, in so far as the same is inconsistent with the foregoing determinations, be and the same is hereby denied.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 41–7683; Filed, October 13, 1941; 11:28 a. m.]

[File No. 4–36]

IN THE MATTER OF EMPIRE GAS AND FUEL COMPANY AND CITIES SERVICE COMPANY

ORDER POSTPONING DATE FOR FILING OF RESPONDENTS ANSWERS AND DATE OF HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 10th day of October, A. D. 1941.

The Commission having on July 3, 1941 issued a Notice of and Order for Hearing in the above entitled proceedings directing that the respondents named therein file with the Secretary of the Commission on or before August 2, 1941 their joint or several answers in the premises and that a hearing be held on August 19, 1941 at 10 A. M. in the offices of the Commission with reference to the allegations of the said Notice of and Order for Hearing; and

The said time for filing answers and for the hearing as above having been postponed by the Commission at the request of the respondents, by orders dated July 31, 1941, August 22, 1941 and September 11, 1941; and

Cities Service Company and Empire Gas and Fuel Company having requested that the date for filing answers and for the hearing as above postponed be further postponed for the reason that the issues involved require further time for preparation for the filing of such answers and for such hearing; and

It appearing to the Commission that the request made to the Commission by the respondents is not unreasonable and may appropriately be granted;

It is ordered, That the date of filing answers by Cities Service Company and Empire Gas and Fuel Company as postponed by the Commission order of September 11, 1941 be and the same is hereby further postponed until October 23, 1941 and that the hearing date postponed by the same order of September 11, 1941 be and the same is hereby further postponed to November 12, 1941 at 10:00 in the forenoon at the same time and before the same officer of the Commission specified in the Commission's order of July 3, 1941.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 41–7684; Filed, October 13, 1941; 11:28 a. m.]

[File Nos. 7–554, 7–555, 7–556, 7–557]

IN THE MATTER OF APPLICATIONS BY THE NEW YORK CURB EXCHANGE TO EXTEND UNLISTED TRADING PRIVILEGES TO: CENTRAL POWER AND LIGHT COMPANY FIRST MORTGAGE BONDS, SERIES A, 3¾% DUE AUGUST 1, 1969; KENTUCKY UTILITIES COMPANY FIRST MORTGAGE BONDS, 4% SERIES DUE JANUARY 1, 1970; 4½% SINKING FUND MORTGAGE BONDS, DUE FEBRUARY 1, 1955; WEST TEXAS UTILITIES COMPANY FIRST MORTGAGE BONDS, SERIES A, 3¾% DUE MAY 1, 1969

ORDER POSTPONING HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 11th day of October, A. D. 1941.

The New York Curb Exchange, pursuant to section 12 (f) of the Securities Exchange Act of 1934 and Rule X-12F–1 promulgated thereunder, having made application to the Commission to extend unlisted trading privileges to the abovementioned securities; and

The Commission having ordered that a hearing be held in this matter on Tuesday, October 14, 1941, in Washington, D. C.; and

The Commission having received a request for postponement of this hearing and having been advised that the applicant herein has no objection to the granting of such request;

It is ordered, That said hearing be postponed until 10 a. m. on Friday, November 7, 1941, in Room 1101, Securities and Exchange Commission Building, 1778 Pennsylvania Avenue NW., Washington, D. C., and continue thereafter at such times and places as the Commission or its officer herein designated shall determine, and that general notice thereof be given; and

It is further ordered, That Willis E. Monty, an officer of the Commission, be and he hereby is designated to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 41–7685; Filed, October 13, 1941; 11:29 a. m.]

[File No. 70–401]

IN THE MATTER OF ST. LOUIS COUNTY WATER COMPANY

ORDER GRANTING APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 11th day of October, 1941 A. D.

St. Louis County Water Company, a subsidiary of Commonwealth Utilities Corporation, a registered holding company and a subsidiary of The United Gas Improvement Company, a registered holding company and in turn a subsidiary of The United Corporation, also a registered holding company, having filed an application pursuant to the Public Holding Company Act of 1935, particularly section 6 (b) thereof, regarding the issuance of a note or notes dated October 18, 1941 and maturing July 18, 1942 in the aggregate amount of $450,000 with interest at 2% per annum, payable to Mississippi Valley Trust Company, in renewal of six notes aggregating $450,000, payable to said bank, maturing October 18, 1941 and bearing interest at 2% per annum; and

Said application having been filed on September 12, 1941 and an amendment thereto having been filed on September 24, 1941, and notice of said filing having been duly given in the form and manner prescribed by Rule U-23 promulgated

pursuant to said Act, and the Commission not having received a request for a hearing with respect to said application within the period specified by said notice, or otherwise, and not having ordered a hearing thereon; and

The Commission finding that the requirements of section 6 (b) are satisfied and that the above-named applicant is entitled to an exemption from the provisions of section 6 (a) of said Act with respect to the proposed transaction, subject to the terms and conditions prescribed by Rule U–24;

It is hereby ordered, Pursuant to said Rule U–23 and the applicable provisions of said Act, and subject to the terms and conditions prescribed in Rule U–24, that the aforesaid application, as amended, be and it hereby is granted forthwith.

By the Commission. (Commissioner Healy dissenting for the reasons set forth in his memorandum of April 1, 1940.)

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 41–7686; Filed, October 13, 1941; 11:29 a. m.]